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Yeltsin on Talk With Clinton, Far East Tour

LD1406055694 Moscow ITAR-TASS in English 0547 GMT 14 Jun 94

[By ITAR-TASS correspondent Oleg Velichko]

[Text] Moscow June 14 TASS—President Boris Yeltsin, before departure for Blagoveshchensk by air, told journalists on Tuesday that an understanding to "link the convocation of an international conference and the application of possible stage-by-stage sanctions against North Korea" had been reached during his long conversation with President Clinton on Monday night.

Apart from discussing the North Korean nuclear issue, the two presidents also examined some aspects of Boris Yeltsin's likely official visit to America in autumn. "Judging by the prospective time-frame, the trip will turn out well. Besides, it is planned that I will deliver a programmatic address at the U.N. General Assembly", Yeltsin remarked.

In this connection, Yeltsin said that Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher are to meet in Brussels on June 15-16 to specify details of the forthcoming visit.

As far as the tour of Blagoveshchensk and the Republic of Tuva is concerned, Yeltsin voiced hope that foreign investments would be drawn to those areas, primarily from China, Japan, North and South Korea. "This may help those regions in earnest," he emphasised.

Discuss DPRK Nuclear Problem

LD1306195294 Moscow ITAR-TASS World Service in Russian 1916 GMT 13 Jun 94

[Text] Moscow, 13 Jun (ITAR-TASS)—A telephone conversation took place today between Russian President Boris Yeltsin and U.S. President Bill Clinton.

According to the report received by ITAR-TASS from the Russian president's press office, the presidents continued their discussion of the situation that has developed around the North Korean nuclear problem and possible steps for its political resolution. In connection with this, Boris Yeltsin and Bill Clinton exchanged opinions on the UN Security Council resolution that is being prepared, and which should give equal weight to the ideas of both possible sanctions and an international conference to resolve the problems of the Korean peninsula. The presidents agreed to instruct Russian Foreign Minister Andrey Kozyrev and U.S Secretary of State Warren Christopher to continue close consultations on these issues.

Yeltsin on Possible U.S. Visit

LD1406090494 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 14 Jun 94

[From the "Novosti" newscast]

[Text] Russian President Boris Yeltsin today left for a working visit to Blagoveshchensk in Amur Oblast. Before his departure, Boris Yeltsin gave an interview to journalists at the airport. In particular, he spoke about his telephone conversation with U.S. President Clinton a day before.

[Begin Yeltsin recording] We discussed several issues. First, the North Korean nuclear issue. And we agreed, or rather it was our proposal, to put forward to the Security Council a question about an international conference and, simultaneously, about sanctions—phased-in ones. It is a very serious matter. So there you are. Later, Kozyrev and Christopher are to meet tomorrow or the day after in Brussels, where they are to agree the text. [end recording]

The presidents also discussed the question of Boris Yeltsin's visit to the United States in September this year. As for his visit to the Far East and Siberia, the Russian president noted the regions' specific features and abundance of mineral resources there.

[Begin Yeltsin recording] We have now somehow concentrated on the foreign countries in the east, and I think it is from there that an inflow of investment can be expected. This is something we are now lacking. I refer to China, Japan, and the Republic of Korea. [end recording]

U.S. Official, Newspaper Cited on DPRK Sanctions

PM1306141794 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 94 p 6

[ITAR-TASS report: "North Korea: Imposition of Sanctions Is Matter of Time"]

[Text] The imposition of sanctions on North Korea is already settled and merely a matter of time. This was stated by Madeleine Albright, U.S. permanent representative to the United Nations. "We are making progress in this area at the necessary rate," she said. "But the main thing in this problem is to take the measures, and not the speed with which this is done."

According to her the United States will proceed with the imposition of sanctions on Pyongyang for its refusal to allow International Atomic Energy Agency inspectors access to its nuclear facilities, even if China refuses to cooperate in this sphere. At the same time Albright expressed the hope, based on the experience of dealings with Chinese diplomats at the United Nations, that "Beijing realizes that the emergence of a nuclear North Korea is not in its interests."

"A week after Washington stated that it would seek the imposition of economic sanctions on North Korea, the administration of President Bill Clinton is still working intensively on a plan of such actions," THE NEW YORK TIMES writes.

DPRK Accusations Against IAEA Carry 'Grain of Truth'

LD1306205294 Moscow Russian Television Network in Russian 1920 GMT 13 Jun 94

[Video report by correspondent F. Tavrovskiy; from the "Vesti" newscast]

[Text] Here is a sensational report we have received from the ITAR-TASS news agency today. This is what it says. The North Korean Foreign Ministry has stated that North Korea is to pull out of the International Atomic Energy Agency immediately and is set to pursue its independent nuclear program in the future.

[Tavrovskiy] The declaration made public by the North Korean Foreign Ministry says that the reason for adopting it was the recent decision by the International Atomic Energy Agency to stop technical aid to North Korea. Pyongyang confirmed that North Korea's membership of the Nonproliferation Treaty has been suspended. Moreover, North Korea is refusing to allow international observers to inspect its nuclear sites in the future. At the same time, the IAEA said that it had received no notification as yet from North Korea about its decision to resign from the agency.

Perhaps, after North Korea's step today, sanctions which the United States, Japan, and South Korea want will be inevitable. At the same time, Pyongyang says that if the sanctions are imposed, a terrible war will be waged on the Korean peninsula.

There is no doubt that the actions of the North Korean regime must be condemned. Nevertheless, I would like to say that South Africa and Israel may well have a nuclear bomb as well. It is quite possible that Libya and Pakistan also possess it. So when North Korea blames the IAEA of double-standards, its words carry a certain grain of truth. The best way out of the current situation may be the Russian proposal for an international conference for nuclear security in the Korean peninsula with all the interested parties taking part.

Yeltsin Approves Peacekeeping Force for Abkhazia

LD1406101894 Moscow ITAR-TASS in English 1010 GMT 14 Jun 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow June 14 TASS— President Boris Yeltsin gave on Tuesday a go-ahead to the Russian peacekeeping operation in Abkhazia, Deputy Defence Minister Georgiy Kondratyev told a press conference.

Kondratyev, who is in charge of the operation, leaves for the conflict zone later in the day to provide for the deployment of the peace-keepers.

Grachev Departs Azerbaijan for Moscow

LD1106181994 Moscow Mayak Radio Network in Russian 1700 GMT 11 Jun 94

[Text] After ending his talks with Heydar Aliyev, President of Azerbaijan, Russian Defense Minister Pavel Grachev left today for Moscow.

During his visit to the Transcaucasus, the Russian Defense minister visited Armenia, Georgia, Abkhazia, and Azerbaijan.

Comments on Russian Peacekeepers

LD1306163494 Moscow Mayak Radio Network in Russian 1218 GMT 13 Jun 94

[Text] Russian Defense Minister Pavel Grachev has just been on a four-day working visit to the Transcaucasus. The results of his tour are reviewed by correspondent Sergey Omelchenko:

[Omelchenko] A Russian military presence in the Transcaucasus, whether in the form of bases, peacekeeping forces or specialists, is not some whim of generals or politicians. It is absolutely indispensable to the maintenance of stability, security and peace in the region. This conclusion can be drawn from the results of the talks which Russian Defense Minister Pavel Grachev held during his four-day whistle-stop tour of the Caucasus.

Agreement was reached with Armenian President Levon Ter- Petrosyan, one of those in favor of having Russian military bases in the region, on the status of the base to be manned by a Russian motor rifle division at Gyumri, formerly Leninakan, and the stationing of a regiment in Yerevan. In Baku President Geydar Aliyev of Azerbaijan proposed that a separate agreement on military- technical cooperation should not be signed. Instead this should form part of a general treaty on friendship and cooperation between our states. During the talks in Baku it transpired that Azerbaijan was not opposed to the idea of joint Russo-Azerbaijani control over the early warning radar station at Gabala, one of the biggest in the south. However, this question will be finally decided after further work has been done by experts. Incidentally Armenia, Azerbaijan, and Georgia unanimously called for participation in a common system of CIS air defense.

As far as a settlement of the Karabakh conflict is concerned, Azerbaijan did not in the end sign the protocol on a cease-fire and disengagement of forces, which Armenia and Russia signed on 17 May. However, Aliyev assured the Russian defense minister that he would do his utmost to stop the hostilities.

From the results of the talks with the Georgian head of state and the Abkhaz leader one can draw the conclusion that the situation as regards a solution to the Georgian-Abkhaz conflict is significantly better. Russian Defense Minister Pavel Grachev said as much to me in an interview:

[Begin Grachev recording] Both the President of Georgia and the President of Abkhazia are giving their agreement to peace- keeping operations. Boris Nikolayevich Yeltsin will sign a decree. This decree will be ratified by the Federal Assembly on 14 June, and we will be able to embark on the peacekeeping mission within three days—five at the most—after orders have been given for the operation to get underway. All our forces are ready. All we have left to do is to decide what combat equipment and how many men can be spared from the 345th Regiment. Then everything will be ready, I think. I consider that my mission here is over. I shall report to the president, and then we shall get down to work. [end recording]

Reportage on Kozyrev Talks With Bosnia's Karadzic

LD1406101994 Moscow ITAR-TASS in English 1002 GMT 14 Jun 94

[By ITAR-TASS correspondent Dmitriy Gorokhov]

[Text] Moscow June 14 TASS—Russian Foreign Minister Andrey Kozyrev opposed any unilateral steps in Bosnia and said the US intention to lift arms embargo against Bosnian Muslims can throw the world back to the times of the "Cold War".

"Russia will not resort to unilateral steps in its policy in the region which are not connected with the peaceful settlement and may destroy the basics of international peace and security. Such measures would be contrary to the Russian national interests, contrary to the basic interests of the people of Yugoslavia", he told Bosnian Serb leader Radovan Karadzic on Tuesday.

Kozyrev urged other countries to refrain from unilateral actions and expressed hope that the US Administration will not support the intention of the Congress to unilaterally lift the arms embagro on Bosnian Muslims.

"Otherwise a violation of the (UN) Security Council resolutions, the UN Charter will be evident which would create a new political situation. If any of the powers begins to unilaterally support those 'under its wardship', the world will return to the worst times of the 'Cold War'", he said.

Kozyrev Against Ending Sanctions

LD1406095594 Moscow Radio Rossii Network in Russian 0900 GMT 14 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev declared today that ending international sanctions against the Bosnian Muslims might return the world to a state of cold war and even push it into a third world war. He expressed his view to journalists, according to a REUTER report, after a meeting in Moscow with Bosnian Serb leader Radovan Karadzic, who has arrived in the Russian capital to receive a literary prize. As is known, the other day the U.S. Congress decided on a unilateral dropping of the embargo on arms supplies to the Muslim side in the Bosnian conflict. The head of the Russian Foreign Ministry noted that Russia, for its part, will not be taking similar steps vis-a-vis the Bosnian Serbs unless they are connected with a peaceful settlement of the crisis.

Kozyrev on Need for 'Compromise'

LD1406094194 Moscow ITAR-TASS World Service in Russian 0848 GMT 14 Jun 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow, 14 Jun—"As a result of personal efforts by the Russian president, Boris Yeltsin, there is a now a unique chance for you to make the correct choice," Andrey Kozyrev declared here today when opening talks with the leader of the Bosnian Serbs, Radovan Karadzic. According to the Russian Federation foreign minister, the first meeting about Bosnia between the foreign ministers of Russia, the United States and five European Union countries, which was held in Geneva on 13 May, "created a good foundation for peace." This foundation is, first and foremost, "full equality of rights for the peoples of Bosnia-Herzegovina and full equality of choice for the Bosnian Serbs." In the near future "We intend to attempt to hold a second ministerial meeting which will provide an opportunity to reach a very important agreement on this basis, precisely within this framework."

By opting for peace, A. Kozyrev continued, the Bosnian Serbs will be able to count on Russia's most resolute support. Among other things, Russia believes that when the territorial issue is decided the Serb people of Bosnia-Herzegovina should hold 49 percent of the territory. History has decreed that although the Serbs form only around 33 percent of the Bosnian population, they are entitled to claim a large and fair slice of territory. When peace is restored, sanctions will be lifted, Yugoslavia will rejoin the "family of nations," and assistance will be given with the rehabilitation of the war-damaged economy.

In order to avoid misunderstandings, the Russian minister went on to say, I would also like to issue a clear warning. There is another option, leading to war—unwillingness to accept reasonable compromises and an intention to hold on to 70 percent of the territory which is now being held by the Bosnian Serb as a result of the war. If you do opt for war—and we believe that this will not happen—we must state just as firmly that you will not, in that case, be able to count on Russia. "As real friends, we only support fair play," A. Kozyrev stressed. "Russia will not support injustice."

Kozyrev on Russian Support

AU1406085794 Paris AFP in English 0825 GMT 14 Jun 94

[Text] Moscow, June 14 (AFP)—Foreign Minister Andrey Kozyrev called on Bosnian Serb leader Radovan Karadzic Tuesday to accept the proposed partitioning of Bosnia-Hercegovina which he said would lead to economic aid from Russia and the end of sanctions.

"If you choose war, you will not be able to count on us for support," Kozyrev warned Karadzic who arrived here Monday to receive a literary award from the conservative Writers' Union.

The foreign minister said he supported granting Bosnian Serbs 49.1 percent of the territory in line with the proposed peace plan but that 70 percent was "much too much".

He told Karadzic that if Bosnian Serbs accept the plan, "you can count on Russia's firm support," adding that it would lead to the lifting of sanctions against former Yugoslavia and fresh economic aid.

Karadzic stated that Bosnian Serbs were "tired" of the four-year conflict and that they wanted peace.

He thanked the Russian leadership for its support, adding: "We know that Russia is our friend."

Kozyrev reiterated his call for a second ministerial meeting to pursue the efforts launched at the first conference held in Geneva in May.

"This conference lead to the recognition of equal rights for all peoples of Bosnia," Kozyrev said.

Karadzic Warns of Continuing War

LD1306205594 Belgrade TANJUG in English 2038 GMT 13 Jun 94

[Text] Moscow, June 13 (TANJUG)—President of the Bosnian Serb republic Radovan Karadzic has warned that the war in Bosnia might continue if totally unacceptable maps are offered.

Karadzic is in Moscow to receive the Mikhail Sholokov prize for literature which has been awarded to him by the Association of Russian Writers.

In a statement to reporters at Moscow airport upon his arrival on Monday, Karadzic said that no-one can expect Bosnian Serbs to accept something in whose creation they did not take part, including maps which do not take into consideration the actual situation in the field, without respect for the historical factors and especially the vital interests of the Serb people.

Under the plan of the contact group which consists of representatives of the United States, Russia, and the European Union, the territory of the former Yugoslav republic of Bosnia- Herzegovina will be divided into two parts, 51 percent for the Moslem-Croat federation and 49 percent for the Serb republic.

Some U.S. circles are behind the beginning of the Bosnian war and its prolonging, Karadzic said, emphasizing that he was not blaming the entire U.S. administration for this.

Pointing out that the Moslem-Croat federation in Bosnia- Herzegovina was created without the participation of Bosnian Serbs, Karadzic underscored that the federation was created only by respecting the military factor, in the sense of forming an anti-Serb coalition.

Representatives of Bosnian Croats and Moslems and Croatia signed a preliminary agreement in Washington on March 1, under strong pressure from the U.S., on the forming of a federation of the two peoples in the territory of Bosnia-Herzegovina which would later enter into a confederation with Croatia.

Political analysts believe that Washington is again trying to isolate Bosnian Serbs with this initiative and pressure them into making territorial concessions more easily at the conference table.

Despite the embargo, Moslems and Croats in Bosnia are arming themselves, so that the decision adopted by the House of Representatives of U.S. Congress last week to exempt Moslems from the embargo on arms sales to former Yugoslavia actually has no major significance.

I would like such a decision to be adopted, because in that case I expect Russia would lift the sanctions against Yugoslavia, Karadzic said.

The United Nations Security Council imposed an embargo on arms sales to all republics of the former Yugoslav federation in the autumn of 1991, and two years ago, also comprehensive and tough sanctions against the Federal Republic of Yugoslavia, unjustly accusing it of having the greatest responsibility for the outbreak of the civil war in Bosnia-Herzegovina.

Karadzic concluded that Moslems in Bosnia-Herzegovina are not interested in the establishment of peace, but urge the war option, because they have the support of the United States.

The Bosnian Serb president said that he expected he would meet with Foreign Minister Andrey Kozyrev and other ministry officials. He expressed hope that he would meet also with Prime Minister Viktor Chernomyrdin and Russian Federation President Boris Yeltsin.

Karadzic Suggests Raising Arms Embargo

LD1306190794 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 13 Jun 94

[Excerpt] [Passage omitted] Leader of the Bosnian Serbs Radovan Karadzic in turn has highly approved the Russian foreign policy especially during the Sarajevo ultimatum.

Today Karadzic arrived in Moscow to receive the Sholokhov literature prize. During his visit Karadzic intends to meet Russian Foreign Minister Kozyrev also but in the words of the leader of the Bosnian Serbs himself he will not raise the question of Russia recognizing the Serbian Republic.

At the same time Karadzic voiced the wish that Russian diplomats in the Balkans should be more understanding towards the problems of the Bosnian Serbs. Karadzic also called for expansion of the Russian peacemaking contingent in Bosnia and Herzegovina.

[Begin Karadzic recording—in Russian] We think this would be a necessary expansion because they would be more objective than soldiers from Muslim sides [storony]. We did not resist when soldiers from Muslim sides came but we think there could be big problems if the UN decides to leave and then soldiers from the Muslim sides might stay and then the balance would be upset. [end recording]

Commenting on the decision of the U.S. Congress to lift the embargo on arms supplies to Bosnia, Karadzic said in his interview to Radio Moscow Echo: [Begin Karadzic recording] It has to be said that there is no embargo because the Muslims are getting arms every day and sometimes I think it might be in our interests if the Americans lifted the embargo and sanctions on the Muslims and then Russia and the Ukraine and other states around Serbia which have difficulties with the sanctions might lift the sanctions against Serbia. [passage omitted]

Karadzic Comments on Visit

LD1306162494 Moscow NTV in Russian 1500 GMT 13 Jun 94

[Text] Today it was announced that the congress of Russian writers opens tomorrow in Moscow and one of the events of the first day of work at the congress will be the ceremony to give an award to the leader of the Bosnian Serbs, Radovan Karadzic. Karadzic has just arrived in Moscow. Here is a report from Vyacheslav Grunskiy.

[Grunskiy] The leader of the Bosnian Serbs, Karadzic, who planned to come to Moscow on 8 June was able to get to the Russian capital only this evening. The main reason for the delay was that this time Karadzic came to Moscow by private invitation, and therefore under the conditions of the international embargo currently in effect against Yugoslavia, it took a long time to reach an agreement with the UN sanctions-monitoring committee on a flight from Belgrade.

The Russian Union of Writers intended to award Karadzic a prize for his poems written, it is true, a long time before the start of the civil war in Bosnia-Herzegovina. But nevertheless it is impossible to say that Karadzic's visit to Moscow is purely private. His delegation contains three ministers from the Bosnian Serb government. Karadzic himself intends during his visit to Moscow to meet several Russian leaders.

[Begin recording] [Grunskiy] Mr. Karadzic, Russian Independent Television. What questions do you intend to resolve during your visit to Moscow, and who are you going to meet?

[Karadzic in Russian] I hope to meet minister Kozyrev or maybe Churkin or meet someone from that ministry, the Foreign Ministry. I would like to have met Mr. Chernomyrdin. It seems that he is not in Russia at present. And also if it was possible to meet the president that would be a great joy for the Serbian delegation. [end recording]

[Grunskiy] How successful all these meetings will be we will discover tomorrow. Vyacheslav Grunskiy, Vladimir Ovdeyev, NTV, Sheremetyevo-1.

Border Agreement With PRC To Be Signed During Qian Visit

LD1306133494 Moscow ITAR-TASS World Service in Russian 1132 GMT 13 Jun 94

[By ITAR-TASS correspondent Aleksandr Romanov]

[Text] Beijing, 13 Jun—During a visit to Moscow at the end of June by Qian Qichen, foreign minister and vice premier of the State Council of the PRC, an agreement between Russia and the PRC relating to the western section of the border between Russia and China will be initialled. This was agreed upon during talks between a joint delegation representing the Governments of the Russian Federation, the Republics of Kazakhstan, Kirghizia [Kyrgyzstan], and Tajikistan and a government delegation from the PRC, at the fifth round of meetings of the working group preparing draft agreements on the border, which ended today.

The working group also discussed issues relating to preparing border agreements between China, Kirghizia, and Tajikistan.

Talks To End 'Temporary' River Curbs on PRC Warships

PM1306154794 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 94 p 2

[Report by Anatoliy Prokopyev of the Russian Federation Border Troops Press Bureau: "'Traffic Lights' Installed Near Khabarovsk. Temporary Navigation Procedure Introduced in Far East Border Rivers for Chinese Vessels and Ships"]

[Text] Since navigation began in the border sectors of the Amur and Ussuri Rivers Chinese ships, including warships, have made repeated attempts to travel along Russia's internal waters near the city of Khabarovsk. All this was attributed to the practice that has evolved in recent years.

The point is that Article 8 of the Agreement Between the USSR and the PRC on the State Border of 16 May 1991 stated that "various types of ships, including warships, can sail unhindered from the Ussuri River to the Amur River past the city of Khabarovsk and back. Navigation rules will be drawn up by the sides' competent departments." But until recently all talks on this question were unsuccessful.

Being perfectly well aware that it is not advantageous to Russia to have foreign ships sailing in its waters, Khabarovsk administration decided do something itself to try to speed up the inordinately protracted process of the Russian-Chinese talks.

As a result our border guards have started to prevent the illegal passage of Chinese ships past Khabarovsk. At the diplomatic level our eastern neighbor was informed that Russia, while observing its adherence to the spirit and letter of the agreement of 16 May 1991, is establishing a temporary procedure until work on specific navigation regulations has been completed and hopes that these measures will be met with understanding from the Chinese side. The appropriate directive on monitoring the temporary navigation procedure has been issued to Khabarovsk Kray Administration, the Amur River Shipping Company, and the Far East Military District.

The third round of Russian-Chinese talks on drawing up navigation rules will take place 13 June in Beijing. One would like to hope that it will bring progress in solving the existing problem.

Official Views SRV Premier's Upcoming Visit

LD1306193094 Moscow ITAR-TASS World Service in Russian 1454 GMT 13 Jun 94

[By ITAR-TASS diplomatic correspondent Sergey Afonin]

[Excerpts] Moscow, 13 Jun—A treaty on the foundations for friendly relations between the Russian Federation and the Socialist Republic of Vietnam—that will strengthen the legal basis of all- round cooperation between the two states—will be signed during an official visit to Moscow by Vietnamese Prime Minister Vo Van Kiet [15-17 June]. Viktor Ivanov, deputy director of the Second Asia Department of the Russian Foreign Ministry, reported this to the ITAR-TASS correspondent today. Other documents are expected to be signed, including agreements on trade and economic cooperation in the agro-industrial complex, and an agreement on cooperation in the fishing industry. Ten intergovernmental agreements between Russia and Vietnam have already been signed.

The diplomat noted that the visit was important because a Vietnamese prime minister will meet Russian leaders for the first time since the disintegration of the Soviet Union. [passage omitted]

He said, however, that there were a number of complex and delicate issues in Russo-Vietnamese relations. These include the problem of Vietnamese debts to the former Soviet Union, which amount to around 10 trillion rubles (previous years prices). [passage omitted]

The other matter is the Vietnamese community in Russia that numbers several tens of thousands of people. The diplomat noted that several of them—like representatives of other foreign countries—commit various types of offenses in their commercial activity. Joint, civilized, methods are needed to resolve this matter, based on legislation.

Moscow welcomes the "open doors" policy conducted by the Vietnamese leaders, and it is no coincidence that priority at the upcoming talks is being given to trade and economic issues.

The Russian diplomat noted that the stances taken by Russia and Vietnam coincide on the overwhelming majority of issues. It is expected that the parties will devote most attention this time to cooperation in the Asiatic-Pacific Ocean region, taking into account the increasing role Vietnam is playing in southeast Asia. Russia understands the Socialist Republic of Vietnam's desire to join ASEAN—with which Russia is also entering into more active political dialogue.

Further on Vo Van Kiet Stopover in St Petersburg

BK1206150094 Hanoi VNA in English 1401 GMT 12 Jun 94

[Text] Hanoi VNA June 12—Prime Minister Vo Van Kiet and his party stopped over in Saint Petersburg, capital of the province of Leningrad and a brotherhood city of Ho Chi Minh City on June 10 and 11, on his way to visit Kazakhstan.

He was given a banquet in the evening on June 10 by Leningrad Governor A.C. Belyakov, Russian Deputy Prime Minister Y. Yarov, Russian Ambassador to Vietnam R.L. Khamidoulin and Vietnamese Ambassador to Russian Ho Huan Nghiem were present at the banquet.

Prime Minister Kiet and his party were received on June 11 by the Leningrad governor who said his province pays much attention to developing its cooperation with Vietnam, economically in particular, stressing that the experiences Vietnam got in its economic reform is very useful to Leningrad. He expressed his wish that the fine traditional friendship and cooperation between the two countries, and those between Saint Petersburg and Ho Chi Minh City will be further strengthened and promoted.

Prime Minister Kiet also expressed his wish for further development and consolidation of the fraternal friendship and cooperation between Vietnam and Russia.

Saint Petersburg Mayor A. Sobchak received Prime Minister Kiet and his party on the same day.

Mr. Kiet and his party also visited a number of economic and cultural establishments in the city.

Roundtable Conference Views Collective Security Issues

LD1406095394 Moscow ITAR-TASS in English 0913 GMT 14 Jun 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow June 14 TASS—"Strange as it may seem, collective security problems assumed greater importance after the ending of the Cold War", said Sergey Yushenkov, chairman of the Defence Committee in the State Duma. He inaugurated on Tuesday a round-table conference on "Topical Problems of Collective Security in Europe".

"We all wish to make Europe more secure and stamp out military conflicts that flared up in the territory of the former USSR", he said.

Participants in the "round-table conference", among them British MPs, noted that certain caution had become apparent in relations between Russia and NATO of late. Russia and the West have not agreed on any legal principles of the stay of Russian troops in CIS countries, Russian expert Aleksandr Nikitin pointed out. He believes a draft concept of collective security of the CIS countries should be discussed by a meeting of the State Duma. This concept should also be discussed with NATO representatives so they could rightly understand the concept.

Member of the British parliament Bruce George said the Partnership for Peace programme is just an initial step in the establishment of closer relations between Russia and NATO. This is also an attempt to prevent rapid integration of East European countries in NATO to which Russia may react negatively. Russia's joining in the Partnership for Peace programme will lead to greater mutual knowledge and confidence. The integration process can then be embarked upon, Bruce George said.

Army Paper Views Work of NATO Istanbul Session

PM1306130794 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 94 p 2

[Manki Ponomarev report: "NATO Council Session Ended"]

[Text] The latest NATO Council session, held in Istanbul, has concluded its work. The session participants—foreign ministers of the countries of the alliance—focused attention on relations with Russia.

The lively debate resulted in agreement that closer ties must be established with the Russian Federation. The session participants confirmed the expediency of Moscow's joining the partnership program. At the same time they acknowledged readiness to hold special consultations with the Russian leadership outside the framework of this program, if necessary, on questions such as the Bosnian crisis, the actions of peacemaking forces in Europe, and nuclear arms control.

The NATO countries' ministers unanimously rejected the possibility of granting Russia the right to veto decisions of the North Atlantic Alliance. As is known, however, Russia does not aspire to such a right. But nor does it want to be presented with "surprises" in the future, as was the case recently with the Atlanticists' unilateral ultimatum in Bosnia.

Other questions were also discussed at the Istanbul session in addition to the problems of relations with Russia. Its participants reinforced with their authority the recent attempt to impose a solution of the territorial problem on the opposing sides in Bosnia and once again stated their readiness to send a peacekeeping force to Bosnia as soon as the opposing sides sign a final agreement.

Indian-Russian Trade 'Showing Signs of Revival'

PM1306153994 Moscow TRUD in Russian 11 Jun 94 Saturday Edition p 6

[Aleksandr Nikolayev report from TRUD/ITAR-TASS correspondents' column: "Let Us Trade"]

[Text] Delhi—Indian-Russian trade, which in recent times has suffered a slump, is showing signs of revival, and this year, according to the estimates of experts of the Federation of Indian Export Organizations, could increase by 50-100 percent. Taking into account existing accords, the forecast notes, Russian exports to India in 1994 will reach $800 million, with a reciprocal flow of commodities and services of $1.1. billion.

The official visit to Moscow of Prime Minister Narasimha Rao, planned for the end of June, will be an important boost to trade and economic relations between the two countries, the Indian Ministry of Trade's Planning Commission suggests.

The expansion of trade links is to a great extent being achieved through the establishment of direct cooperation between Indian entrepreneurs and individual cities and regions of the Russian Federation. A delegation of businessmen from Maritime Kray headed by Deputy Governor G. Tokulenko, chairman of the Committee for State Property and Privatization, held negotiations in Delhi the other day. In his words, the kray's businessmen are interested in expanding trade with India and creating joint enterprises in such important sectors for them as construction, agriculture, the food industry, fishing, and several others. In the near future they already expect to satisfy the heavy consumer demand for, in particular, fresh fruit, vegetables, and medicines with the aid of their Indian partners.

Early Arms Deals With Argentina Impossible

PM1306133994 Moscow KRASNAYA ZVEZDA in Russian 10 Jun 94 p 3

[ITAR-TASS correspondent Aleksandr Trushin article: "Argentina Wants To Buy Large Consignments of Russian Weapons But Cannot Yet Do So Owing to Material Difficulties"]

[Excerpts] Brigadier General Luis Tracabal Lobo did not hide the fact that he represents General Augusto Pinochet, commander in chief of Chile's ground forces. Tracabal Lobo meticulously questioned Aleksandr Khinikadze, director of the Central Scientific Research Institute of Precision Machine Building of the Russian State Committee for the Defense Sectors of Industry, about the merits of small arms. He was particularly interested in one of the best developments—the 9mm Gyurza pistol with a powerful round which penetrates bulletproof vests. The Chilean general joked that such a pistol, if acquired by Chile's carabineros or other special services, would "undermine" his own product—Tracabal Lobo is head of a factory which produces bulletproof vests in particular.

Chileans, Argentines, Peruvians, and representatives of other Latin American countries are showing interest in our combat hardware and weapons. But, at the same time, they are in no hurry to conclude contracts to acquire them. This is largely accounted for by the specific nature of the Latin American arms market.

On the whole, Russia is well acquainted with this region. In the past the former USSR had large contracts to deliver weapons to Cuba, Nicaragua, Peru, and Venezuela. Therefore it would be perfectly logical to expand this market by including other South American countries, primarily Argentina, Chile, and Brazil, which possess large armed forces. In this Russian representatives place special emphasis on Argentina, mindful of the fact that during the Malvinas [Falklands] war of 1982 it lost a considerable proportion of its combat hardware and weapons. In addition, throughout the past decade there has been a U.S. and British embargo on arms deliveries to that country.

A recent circumstance arouses extreme displeasure in Argentine military circles. Oscar Camilion, minister of national defense, has repeatedly told local journalists that he does not understand Washington's attitude to Argentina. "When its participation in UN peacemaking actions is needed, we enjoy the Americans' full trust. But if it is a question of arms deliveries, this trust is missing."

In putting pressure on Argentina in this sphere the United States pursues not so much geopolitical ends as economic ones. Washington is afraid that Argentina and other South American countries will start winning the Near East market above all with their developments, including in the nuclear sphere, and so will weaken the U.S. positions there. At the same time Washington carefully sees to it that nobody can encroach upon the nearby, Latin American market.

Nevertheless, certain military circles in Argentina are showing interest in purchasing arms and hardware from Russia. Here, however, the U.S. factor once again comes into play: The Argentines would like to join NATO in the future. The Americans say that this possibility has now increased significantly. True, for this Argentina's Armed Forces must have Western arms which meet NATO standards. "If you want to buy hardware and arms from Russia, this means that your initiative with regard to joining NATO will not be realized," the United States declares.

And yet the financial and economic situation in the South American country is one of the principal factors curbing Russia's penetration of Argentina's military market. [passage omitted]

So major deals along military lines are hardly possible between Russia and Argentina in the immediate future. Nor are there any prospects for joint arms production at present. This line in Russian exports requires careful preparation and a cautious and gradual approach. At the same time it is perfectly realistic to conclude small contracts right now with due regard for the fact that the Argentines are well informed about our successes in military technology and show definite interest in acquiring inexpensive models.

Shumeyko on Talks with Bulgarian Counterpart

LD1306160794 Moscow ITAR-TASS in English 1335 GMT 13 Jun 94

[by ITAR-TASS correspondents Vladimir Abrosimov and Lyudmila Yermakova]

[Text] Sofia June 13 TASS—"Russia and Bulgaria are now free sovereign states and one would not like any encroachments upon their freedom and sovereignty. Interparliamentary exchanges promote precisely the establishment of closer political relations between the two countries," Russian Federation Council Speaker Vladimir Shumeyko told journalists here on Monday, informing them of some aspects of talks with Alexander Iordanov, chairman of the People's Assembly. The development of economic cooperation was one of the main subjects during the exchange of views, Shumeyko said.

Much attention during the dialogue was devoted to legislative support for the development of economic cooperation, Yuriy Algunov, press secretary of the Federation Council speaker, told ITAR-TASS. The Bulgarian side showed great interest in the experience which is being gained within the framework of the interparliamentary assembly of CIS countries, Algunov said.

This was also confirmed by the Bulgarian parliament chief who at the same time expressed an opinion that the time apparently comes to change over "from official visits to the level of working contacts between individual commissions of the two parliaments."

Participants in the meeting positively assessed the establishment of permanent exchanges of information on the activities of Russia's Federal Assembly and Bulgaria's People's Assembly.

The fact that Shumeyko invited Iordanov to visit Moscow at a date of his convenience is an earnest of future constructive contacts between them. A similar invitation to Iordanov was also extended earlier by State Duma Speaker Ivan Rybkin who visited here at the beginning of the year.

At the close of the meeting in the Bulgarian parliament, the Russian delegation was received by Professor Lyuben Berov, chairman of the Council of Ministers. On the same day, the guests laid a wreath at the unknown soldier's tomb—a memorial complex in downtown Sofia in commemoration of Bulgarians who had perished on the battlefields.

Discuss Partnership for Peace

LD1306214794 Moscow Radio Rossii Network in Russian 1900 GMT 13 Jun 94

[Text] Today, Bulgarian President Zhelyu Zhelev received Vladimir Shumeyko, the chairman of the Federation Council, who is in Sofia now. ITAR-TASS reports that the sides discussed a wide range of issues regarding bilateral relations and topical international problems. Russian-Bulgarian relations should be developed harmoniously and to mutual benefit, the leader of the Russian delegation stressed. Incidentally, Vladimir Shumeyko noted that during the meetings held in the Bulgarian capital, some matters arose on which the sides need to clarify each others positions, in particular, the NATO program Partnership for Peace. But, according to Shumeyko, disputes are of an economic rather than political nature.

During the conversation Vladimir Shumeyko conveyed to the Bulgarian president cordial greetings from Boris Yeltsin.

Shumeyko: Chernomyrdin To Visit Bulgaria in Fall

LD1306121694 Moscow ITAR-TASS in English 1147 GMT 13 Jun 94

[By ITAR-TASS correspondents Vladimir Abrosimov and Lyudmila Yermakova]

[Text] Sofia June 13 TASS—Russia's Federation Council Speaker Vladimir Shumeyko, who is currently here on an official visit at the head of a Russian delegation, has announced that Russian Prime Minister Viktor Chernomyrdin is to visit Bulgaria in autumn. Shumeyko said that during the forthcoming visit the Russian premier is expected to sign a package of documents that are of importance for the development of cooperation between the two countries.

This subject was also the focus of a meeting here on Monday between the Russian parliamentarians and Professor Lyuben Berov, chairman of Bulgaria's Council of Ministers. Special attention was devoted to matters connected with settling the two countries' mutual debts.

The two sides believe that it is now essential to approach this problem "in an unprejudiced way and find a mutually acceptable compromise", Shumeyko said.

Military-technical cooperation, including that between defence industry enterprises, was discussed as well. The two sides agreed that one should now renounce primitive forms of perestroyka-period cooperation, barter in particular, and move on to civilised forms acceptable throughout the world.

Latvian Citizenship Law Viewed

PM1406084394 Moscow IZVESTIYA in Russian 11 Jun 94 p 3

[Report by Irina Litvinova: "Fate of Latvian 'Noncitizens' Explained. But It Seems This Will Not Make Their Lives Any Easier"]

[Text] Fifty Latvian Saeima deputies have decided the fate of the hundreds of thousands of residents who are uncertain of their future. The law on citizenship has passed its second reading.

This means that conceptual changes are no longer possible, and at the third reading (expected to be held at an emergency session during the summer parliamentary recess) only editorial amendments that do not alter the essence of the law will be possible.

This long-awaited law—Latvia is the only republic in the former Union where such a document has not been adopted—has undergone significant changes since its first reading in the fall. Proposals have mainly been submitted by the national-radical faction of the the Latvian National Independence Movement [LNNK] (as is well known, the LNNK was victorious in the recent municipal elections). The new articles are notable for their ethnic protectionism—for instance, the "priority" group of those who can apply for naturalization before 1 January 1996 includes not only ethnic Latvians and Livonians, but also Estonians and Lithuanians. Attempts to ascertain in what way they are better than Belarusians or Poles have proved fruitless—politicians have provided no sensible explanations, citing "Baltic unity."

The first people who can claim Latvian citizenship are the spouses of citizens (if married for more than 10 years).

The list of those who cannot become Latvian citizens under any circumstances is very long—these include criminal elements, people spreading fascist or communist ideas (in the period since 4 May 1990, when Latvian independence was proclaimed), KGB and other special service staffers, and demobilized Soviet Army personnel who have remained to reside permanently in the republic. I would note that the demands on "noncitizens" are far stricter than those on "citizens": The latter can have been in the security services or served in the Soviet Army, or leaders of the criminal fraternity—it will not affect their citizenship.

Those given "priority" will not receive automatic citizenship. They also have to meet a residence qualification. They will have to take a test of their knowledge of the Latvian Constitution, the republic's history, and the Latvian language. They must have a legal source of income.

It would be nice to think that all the tests and checks would be objective and impartial, but the current arbitrary civil service practice at local level raises doubts—the arbitrariness of departments and clerks have been recognized by international experts working in Latvia.

As of 1 January 1996 it will be time for those born in Latvia to apply to be naturalized. Age lists will be drawn up and, deputies believe, by the year 2000 anyone "over 30" should have submitted an application. After this date everyone else can apply for citizenship, but...not more than 0.1 percent of the total number of citizens may apply each year. Recent statistics show that Latvians currently make up 54.2 percent of the republic's total population. But the initiators of the hard line in the citizenship law—such as Deputy Aristids Lambergs, for instance—believe that this figure should go beyond the 70-percent mark.

Latvia is making no secret of the fact that it would like the fall Council of Europe session to consider the Baltic state's admission to this international organization. The citizenship law and the criticism of it by Max van der Stoel, CSCE commissioner for ethnic minority affairs, have held up this process. The assessment that the new document receives from experts and European politicians is something awaited by both the Latvian authorities and by Latvian "noncitizens" who are dissatisfied with it.

Transit, Kaliningrad Issues Seen Impeding Vilnius Accords

PM1306182194 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 94 p 2

[Report by Sergey Knyazkov: "Stop, Ferry.... Russian Transit Through Lithuania Still a Problem in Relations Between the Two Countries"]

[Text] After a period of active contacts between Moscow and Vilnius which made it possible to conclude a number of long-term agreements and to withdraw Russian troops from Lithuania, an incomprehensible lull has set in. The main problem is still the final draft of the documents on the transit of passengers and freight through Lithuanian territory between Russia and its Kaliningrad Oblast. Russia handed over a draft agreement on this question to Lithuania six months ago, but to date has not received a reply from its partner in the talks. Vilnius's official reason for delaying making the necessary decisions is associated with the fact that the Sejm has not yet approved the regulations for the shipment of dangerous freight through Lithuanian territory. But in my view the belief of a certain section of official Vilnius circles that Russia is creating a military fist in Kaliningrad Oblast is a still more substantial obstacle.

"Imaginary" is how the problem of the Kaliningrad enclave's posing a military danger was described by Viktor Isakov, head of the Russian delegation at the talks with Lithuania. He stressed that this is the latest card in the political game being played by those who have no wish to improve Russian-Lithuanian relations. Nevertheless, the latest round of talks between the two countries' state delegations, which took place this week in Vilnius, did not yield any impressive results. Only two agreements were signed: on the principles of reciprocal banking settlements and on cooperation between the customs services.

Russian, Ukrainian Space Experts Meet in Kharkov

LD1306175794 Moscow Ostankino Television First Channel Network in Russian 1430 GMT 13 Jun 94

[Video report by correspondent Vitaliy Pidchenko; from the "Novosti" newscast]

[Text] A meeting took place in Kharkov today that was attended by representatives of the leading space firms in Russia and Ukraine.

[Pidchenko] The participants in this meeting have been partners for quite some time. For more than 30 years they have worked in close contact, creating the country's strategic missile shield. Now, there is a state frontier between them, the enterprises, design bureaux, and institutes of the former Glavkosmos [USSR Main Administration for the Development and Use of Space Technology for the National Economy and Scientific Research]. Representatives of them arrived in Kharkov to discuss the future joint program. In particular, it is proposed that CIS nuclear power stations, as well as a number of main oil and gas pipelines, should be fitted with super-reliable systems of electronic control.

Within the framework of another program ordered by the Russian Central Bank, it is planned to create a global system of communications, putting three earth satellites into orbit. This will allow Russia and Ukraine, to begin with, and then other countries, to carry out interbank operations almost instantaneously.

Ostankino TV Reduces Armenian Broadcasts

LD1306151294 Moscow Radio Rossii Network in Russian 1200 GMT 13 Jun 94

[Text] The Ostankino television company has reduced broadcasting to Armenia to just a few hours in the evenings. ITAR- TASS reports that this has been caused by demands for additional payments for daytime broadcasts. Tigran Akopyan, chairman of Armenia's State Television and Radio, explained that the restrictions will be in force until Yerevan pays Moscow for the additional expenses of communications enterprises. The technical service of Armenian television estimates the cost of the services at 600 million Russian rubles.

Chernomyrdin Unaware of Note on Caspian Oil Shelf

PM1306125994 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 94 p 6

[Reports by B. Filippov and own correspondent Arif Useynov under general headline: "To Whom Does Caspian Shelf Belong? Geydar Aliyev Does Not Agree With Russian Federation Foreign Ministry Note"]

[Text] As already reported in the pages of our newspaper, following the USSR's disintegration Azerbaijan, having become a sovereign state, proclaimed the Caspian Sea oil shelf off the republic's shores to be its own property and on this basis announced an international competition to sell oil deposits.

This competition was won by British companies, although it was promised that between 10 and 20 percent of this deal would be given to the Russian company "LUKoil."

But last week the Russian Foreign Ministry sent the British ambassador in Moscow a note describing as premature the conclusion of an Anglo-Azerbaijani memorandum on cooperation to survey and extract oil and gas in the Caspian Sea's so-called "Azerbaijani sector," because in the opinion of Smolensk Square [Foreign Ministry's location] there is no such thing as sectoral demarcation of the seabed in the Caspian and for that reason questions concerning the practical utilization of this closed basin's natural resources must be resolved jointly by all Caspian states —Russia, Azerbaijan, Iran, Kazakhstan, and Turkmenia [Turkmenistan].

This note provoked a sharply negative reaction in the British Isles and Baku. British newspapers and the BBC immediately started talking about Russia's "imperial intentions." Official Baku also responded vigorously to the Russian Federation Foreign Ministry note. Our own correspondent reports on this. [Filippov ends]

[Useynov report] Baku—In a conversation with British Ambassador to Baku Thomas Young Heydar Aliyev stated that the note's appearance should be regarded as a minor, insignificant event. "If any state wishes to hold talks about oil extraction in the Caspian by Azerbaijan," he said, "then let it approach Azerbaijan. If this is the Russian Government's intention, why address the note to the British Embassy and not Azerbaijan? What has Britain got to do with it?"

The head of state noted that it was with Azerbaijan's agreement that the Russian company "LUKoil" had been included in the consortium of oil-extracting firms headed by British Petroleum.

He reported that he had discussed this subject with Russian Federation Prime Minister Viktor Chernomyrdin by telephone 31 May. According to him, the Russian premier knows nothing about the Foreign Ministry message and expressed considerable surprise concerning this. Chernomyrdin noted that he is not raising the question of the Caspian's status and has no intention of doing so, and he requested that this be officially conveyed on his behalf to the participants in the Istanbul talks.

Observers believe that the oil question has touched on another, no less important, problem. On what basis do the Caspian states intend to carry out joint utilization of the sea's resources—not only oil resources, of course? After all, the question of the need to elaborate the Caspian's international status has been raised at international ecological conferences, meetings of Caspian states' representatives on problems of fishing, navigation, and protecting and increasing bioresources, and in all discussions and talks. Without this it is extremely difficult to make the optimal decisions and guarantee the unique water basin's ecological well-being.

Border Guards Mount New Operations

PM1306123994 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 94 p 1

[Report by Vladimir Berezko under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Strong 'Barrier' to Smuggler Will Be Erected"]

[Text] Russian Federation Border Troops—Colonel General Andrey Nikolayev, commander in chief of the Border Troops, indicated at a news conference: "Within the framework of Operation Putina [fishing] our state has shown that it has something to defend and the people to defend it with."

In addition to Putina in the Far East, as of 20 June the border guards together with interested departments are commencing Operation Zaslon [barrier] in the Sea of Azov, the Barents Sea, the White Sea, the Baltic, the Black Sea, the Caspian, on the Amur and Ussuri Rivers, and on Lake Peipus. Col. Gen. Andrey Nikolayev also reported that the killers of border guard officers in Tajikistan have been detained.

Political Issues

Chernomyrdin Undergoes Gall Bladder Surgery

LD1406114594 Moscow INTERFAX in English 1119 GMT 14 Jun 94

[Text] Russia's Prime Minister Viktor Chernomyrdin was operated on at Moscow's Central Clinic last Friday to grind his gall stone by ultrasound. As Interfax has learned, the surgery was performed on recommendations by the German specialists who examined Chernomyrdin at the Mainz University Clinic last week.

The operation is reported to have gone well, and doctors say it will take the patient a few days to recuperate. A government spokesman has reported that Chernomyrdin is due to be back at work from a short leave on June 16.

As has been reported the premier is scheduled to travel to the U.S. later this month to attend a session of the Russian-American commission which he co-chairs with U.S. Vice President Albert Gore. On his way to the U.S., Chernomyrdin plans to stop over in Italy.

He underwent a similarly successful operation at a clinic last autumn. However, surgeons recommended that he be examined at a specialized clinic abroad. It was after that examination that repeated surgery was recommended.

Gaydar on New Party's Attitude to Government

LD1206165894 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 12 Jun 94

[Excerpts] A declaration on the creation of the Russia's Democratic Choice Party has been adopted at a founding congress being held in Moscow on the initiative of the Russia's Choice faction in the State Duma. Yegor Gaydar, speaking at the opening of the congress, said that the party's fundamental task was to create the prerequisites for stable economic development. In his words, present economic policy could place Russia in the position of a country under colonial rule within five years.

At the same time, Gaydar stressed that the new party will not join the opposition to the government, although it does not support it completely.

[Begin Gaydar recording] Our position toward the government was formulated a long time ago. We support a coalition government: The government is fragmentary. We support individual areas of the government's work, including those in which members of our faction are working, some of whom are involved in the creation of our party. Privatization policy is just one obvious example. But we are not prepared to take responsibility for the essence and content of official economic policy. On the whole we do not support it. [end recording] [passage omitted]

[Announcer] As for relations with other parties, answering a question from Ekho Moskvy, Yegor Gaydar said the following:

[Begin Gaydar recording] Of course our party's allies, in the Duma at least, are the 12 December faction and, on the whole, the Yabloko faction. Neither of these parties yet has its own developed political structure, but nevertheless, we regard them as our allies.

As for the Democratic Party of Russia and the Party of Russian Unity and Accord, these are not our allies. They are parties defending essentially different plans for Russia's future. In the Democratic Party there is undoubtedly a very strong element of playing on great-power sentiments. There are many points on which we disagree with the Party of Russia and Accord. But of course we are ready for dialogue with them. [end recording] [passage omitted]

New 'Russia's Choice' Viewed

PM1306112594 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jun 94 First Edition p 2

[Aleksandr Batygin article under the "Parties, Movements" rubric: "Big Business Banks on 'Russia's Choice'"]

[Text] The denunciatory energy that has been pumped into Russian society over the past few years has, if not run out, then at any rate declined appreciably in the country's political life. The phase of democratic reform based on a mass social sense of discontent is behind us. Russia's present fundamentally different state makes it necessary to master a new language—the language of dialogue, accord, democratic values—and move away from frenzied screams of opposition to playing political solitaire.

Members of the new liberal-conservative party, "Russia's Choice," prefer to speak that language—the language of market ideology—in a country where, as DEUTSCHE WELLE remarked caustically, "everything can change overnight." The new party's constituent congress will be held in Moscow next Sunday. The program and "Russia's Choice" rules are ready and the party's definitive name will be decided by 800 congress delegates from 64 Federation components where regional conferences have been held.

It was underlined at a press conference given by the future party's organizing committee that "Russia's Choice" is to "mobilize all democratic forces in order to decide on a presidential candidate for the coming elections." Thus members of "Russia's Choice" have very serious intentions. The election of the party's chairman is a mere formality, that post will be taken by Yegor Gaydar, the "architect" of the new economic policy. And delegates are to form a political council to represent all the regional organizations and implement the "Russia's Choice" policy between congresses, which are to convene at least once a year. They will have to decide who will hold the office of chairman of the executive committee, which tackles economic activity.

Per se, the idea of creating a mass political party is nothing new in postperestroyka Russia. It has been thought of by "Democratic Russia," the Communists, and the Democratic Party of Russia.

Yegor Gaydar has a clear idea of his party's social base—"new Russians," businessmen, the regional nomenklatura. While admitting that there is a great threat of conservatism and reaction in the regions, he is fighting to create effective parties in the localities, "not fragile entities as was the case during the fight against the ossified regime." In the opinion of the "Russia's Choice" leader, the huge corrupt state machine that must be reformed by like-minded party members is hampering the formation of true market relations in the country.

In one way or another the fate of the future party depends on its leader. An extreme radical, Yegor Timurovich has recovered fairly rapidly from the knockout sustained by his faction 12 December. Society's attitude toward him is by no means unambiguous. At the height of "shock therapy" I heard the following opinion of Gaydar: He was said to only view people as material for experiments. Under the ex-premier's "romantic exterior" there lurks a tough realist and pragmatist, who undoubtedly craves revenge for the humiliation in December. The liberal-radical "niche" in the shape of a new party best enables him to restore the trust of those who sincerely believe in the success of reforms and intend to "forge" them in practice.

It is incomparably easier for the admittedly beaten but nonetheless recognized Gaydar to tackle party building than, say, Socialist Party Chairman Lyudmila Vartazarova, a brilliant intellectual, but someone who is less well known in the "echelons of power." Despite the fact that high office did not enable Yegor Timurovich to cure Russia's economic ills, it is now time for a second attempt with the Russian president's approval. A party is an excellent, powerful instrument in the fight for power.

"Russia's Choice" may be called the leaders' party. It is unlikely that in his new role as "general secretary" Gaydar, whose reforms Solzhenitsyn rudely called "brainless" in Vladivostok, will renounce his "architect's" ideas in politics as well as in the economy. This idea is prompted by an important point—the future liberal party will depend on a quite definite social group, brought up in the Western manner, which shares its tactics and strategy. Big business calls the tune. Financial groups and banks backing "Russia's Choice" would presumably like more rapid compensation for their election campaign expenditure. The most favorable prospects here will emerge when "Russia's Choice" members get into government.

....I was introduced, admittedly by letter, to a future rank-and-file member of the new party. Igor Stepanovich Mironov, a resident of Moscow Oblast, sent the editorial office a letter entitled "Why I am joining Gaydar's party." The reader gave the following explanation for his personal choice: "Russia is weary of gray individuals being in power."

Needless to say, one letter is no excuse for generalizations, but nonetheless.... What indeed is to be done with the "gray mass," and at the same time with the middle class, people far-removed from complex political battles and leadership posts who only dream of one thing: Order in the country and normal, dignified lives for themselves and their children. Is there a guarantee that the new party of the future, which is essentially engaged and elitist, will ultimately address the well-being of all Russian society and not just the prosperity of a small number of entrepreneurs?

Zhirinovskiy Drops Lawsuit Against Gaydar

LD1406085194 Moscow ITAR-TASS in English 0826 GMT 14 Jun 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow June 14 TASS—Russian nationalist leader Vladimir Zhirinovskiy withdrew his lawsuit against the head of the "Democratic Russia's Choice" Party, Yegor Gaydar, who he accused of comparing him to Nazi leader Adolf Hitler. The decision came after Gaydar had announced that he would personally appear in court to defend his statement that Zhirinovskiy resembles him the "Hitler of 1929".

Zhirinovskiy's lawyer Sergey Belyak told TASS that the lawsuit was withdrawn on June 7, but Gaydar, who came to the court on Tuesday, said he knew nothing about that and showed a summon, according to which he had to be present in court as a defendant.

Gaydar believes Zhirinovskiy should have appeared in court to explain his decision which, according to him, is "another evident proof that aggressive people are often very cautious".

However, Zhirinovskiy plans to file a new lawsuit against Gaydar and the "IZVESTIYA" newspaper which published his article in which Gaydar insists that Zhirinovskiy is a fascist and analyses his rhetorics. The lawsuit is to be filed on June 17, Belyak told TASS. He added that another lawsuit will be filed on June 27 against Nikolay Svanidze, an anchorman of the Russian TV, who claimed that Zhirinovskiy had paid members of his Duma faction 500 US dollars for voting in favour of the 1994 budget.

According to the lawyer, some 20 lawsuits against various media and politicians had been already filed by his client.

Fifty Most Influential Figures Assessed

PM1306120994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 3

[Article by Vladimir Lepekhin, Mikhail Malyutin, Yuriy Sorokin, Grigoriy Vysokinskiy, Oleg Grigoryev, Vadim Malakhitov, Roman Pugachev, Ivan Sukhiy, Vladislav Sychev, Aleksandr Yusupovskiy: "Career Formula: The More Gently You Travel the Higher You Will Get: Influence Rating: May-June"]

[Text]

Russia's 50 Most Influential Politicians

1.	B. Yeltsin	54.5
2.	Yu. Luzhkov	52.625
3.	O. Soskovets	50.25
4.	V. Chernomyrdin	49.75
5.	V. Gerashchenko	48.125
6.	A. Korzhakov	47.75
7.	I. Rybkin	47.625
8.	O. Lobov	46.75
9.	V. Shumeyko	44.5
10.	V. Ilyushin	44.125
11.	S. Filatov	42.625
12.	V. Resin	42.5
13.	S. Shakhray	42
14.	R. Abdulatipov	39.625
15.	Yu. Baturin	38.5
16.	M. Barsukov	37.325
17.	Ye. Primakov	37.15
18.	S. Stepashin	36.875
19.	S. Dubinin	36.125
20.	P. Grachev	35.125
21.	V. Yerin	33.375
22.	Yu. Shafranik	33
23.	M. Shaymiyev	32.725
24.	Yu. Skokov	32.5
25.	R. Vyakhirev	32
26.	A. Shokhin	30.15
27.	S. Glazyev	28.625
28.	Ye. Savostyanov	28.375
29.	A. Zaveryukha	27.75
30.	M. Kolesnikov	26.5
31.	O. Davydov	26.15
32.	G. Petelin	24.125
33.	V. Kvasov	24
34-35.	B. Nikolskiy	22.125
34-35.	A. Tyazhlov	20.5
36.	Yu. Yarov	19.15
37.	Yu. Kalmykov	18.625
38.	V. Glukhikh	18.125
39.	A. Kozyrev	17.125
40.	Ye. Gaydar	16.825
41.	V. Lazutkin	16.15
42.	M. Yegorov (Ministry of Internal Affairs)	14.5
43.	S. Yegorov (Association of Russian Banks)	13
44.	A. Chubays	12.375
45.	N. Yegorov	12.15
46.	G. Zyuganov	12.125
47.	M. Lapshin	11.75
48.	V. Gusinskiy	11.125
49.	Sh. Tarpishchev	9.15
50.	M. Mityukov	7.125

Offensive of the "Behemoths" (Moscow Political Beau Monde Is Gradually Ceding Levers of Power to Regional Leaders)

It is becoming increasingly obvious that the Moscow political beau monde is quietly retreating under pressure from regional chiefs as well as politicians who, being regional leaders not so long ago, have not only preserved kinship and political and economic ties with their small homeland but are also—in the struggle for a place on the political Olympus—continuing to rely on the regions, above all.

During "postperestroyka" the regional bosses have gained strength on two occasions already. First, immediately after August 1991 (the collapse of the CPSU) and the ensuing Belovezhskoye agreement (the disbandment of Union structures), when centrifugal sentiments increased and leaders of "Federation components" (at that time the term was not yet in use), like leaders of former Union republics, tried to take "as much powers as they could lay their hands on"—although nobody got very far apart from Dudayev.

At that time the sovereignization of the regions was hindered by several circumstances.

First, the resistance of the new Russian authority, starting from the president's supporters (Skokov, for example, or Shakhray, who made considerable efforts to restrain the autonomous entities which were part of the Federation) and ending with deputies to the Supreme Soviet, where there were clearly more supporters of a united Russia than supporters of sovereignization or the creation of a Russian Republic within the Russian Federation. Second, the chronic conflict between the republics and the oblast leaders, who also stated their demands to federal authority, which hardly facilitated the sovereignization of future Federation components along national and ethnic lines. Third, neither—unlike a number of leaders of former Union republics—could rely on a wave of national movements in their plans for and attempts at self-determination...there was simply none of these in any Russian region except Tatarstan.

The second wave of strengthening the regions came in fall 1993. It was then that the Russian president first realized—in the struggle with the Russian Federation Supreme Soviet—the need to intercept the regions and proposed the formation of the Federation Council, which was on the point of starting to form itself within the Constitutional Conference, and centrifugal sentiments already predominated in it, unlike in 1991-1992 (by the end of 1992 most regional leaders realized that sovereignization had no economic foundation and that administratively too much, alas, revolves around the center), although the fact that the Federation Council did not support the president in October 1993 prompted October 1993 to happen and especially prompted the political and commercial forces behind it to disband the Federation Council simultaneously with the Russian Federation Supreme Soviet.

Today we are observing the signs of the latest, third, wave of activization by regional leaders. This wave promises to be more fruitful (the "law of dialectics"—development in a spiral and the repetition of development that has taken place at a higher level). First, it has a constitutional linchpin—the Federation Council of the Russian Federation Federal Assembly. Second, there is some experience (unsuccessful experience is experience nevertheless) of collaboration with federal authority.

The cause of May's activization of regional leaders was the State Duma's adoption of the federal budget for 1994, or to put it simply the distribution of state resources. While, for instance, representatives of the fuel and energy complex, which controls the government by drawing up the budget to suit itself, are more or less satisfied with it, the military-industrial complex was cut, the agrarian complex did not obtain what it wanted either, and during the budget's adoption other sectors simply were simply not noticed. The result was the snubbing of regional leaders, "senators," including leaders of enterprises which had been left with nothing. The effect was to turn the Federation Council toward the regions and the military-industrial complex; the appointment of N. Yegorov, head of Krasnodar administration, as minister of national and regional affairs; the rumors of Skokov's strengthened position, who is apparently still in good standing with some regionals and the defense sector; the meeting of leaders of interregional economic associations, etc.

What Can Be Predicted in This Situation?

Above all—the start of a new phase of struggle in the upper echelons of power. But not between, for instance, the president and government or the president and parliament, but between sectoral clans on the one hand and regional lobbyists on the other, and also between sectoral groups themselves: THE FUEL AND ENERGY COMPLEX AND THE BANKS AGAINST THE MILITARY-INDUSTRIAL COMPLEX AND AGRARIANS. Of course, in the upshot everything will turn into the latest confrontation between the executive and legislative branches, but in fact the main struggle will develop not according to the political but the territorial-sectoral principle. The phase of struggle for ideas (the outward, the ostensible) and for resources (the essental) has ended and smoothly moved into the phase of struggle EXCLUSIVELY FOR RESOURCES.

In October 1993 sectoral groups, or more precisely a sector clan, the most powerful one, which is now in power—the fuel and energy complex—relying for support on power [silovyye] structures, financial circles, and the "Moscow grouping," got the upper hand over the alliance of regional leaders and the military-industrial complex. Now the figures of the raw materials sector have fewer and fewer chances of stopping their opponents.

The regionals and the military-industrial complex are on the offensive. The well-known meeting between the president and military-industrial complex representatives, culminating in the signing of six presidential edicts which "revitalized" the economy, was a clear concession to regional and sectoral (not raw material) leaders.

For its part, the fuel and energy complex does not intend to give in. On the contrary, it is counterattacking. Reserve figures are already being "deployed": The mass media have carried publicity for "Gazprom" leader R. Vyakhirev, V. Kadannikov, leader of the "AvtoVAZ" joint-stock company, and B. Berezovskiy, leader of the "LogoVAZ" joint venture (it is known that the automobile sector is one of the most prosperous sectors and its leaders are among the most loyal to the president and premier), Yu. Shafranik, minister for the fuel and energy complex, and certain other figures.

On Shafranik's initiative, the Association for Economic Collaboration is being formed (the constituent assembly is scheduled for 17 June), which is supposed to unite not only the leaders of the oil and gas complex but also its representatives in the Federation Council. This association will probably become the most powerful lobby grouping in the Russian parliament jointly with the "New Regional Policy" Duma faction, led by V. Medvedev, president of the Union of Russian Oil Industry Workers.

But not all representatives of financial circles support the raw material producers (just as not all regionals support the military-industrial complex). Many of them are keeping quiet for the moment, adopting a wait-and-see attitude, trying to understand the forces at work. Currently they are loyal to Chernomyrdin but it is clear that in any event it is worth thinking about mutual understanding with someone else. With whom? Soskovets? Skokov? Luzhkov? Shumeyko? Shakhray? Bankers are asking themselves these questions at all their confidential gatherings and for the moment they prefer to keep their finger on the pulse of most political groupings.

BECAUSE OF THE FOREGOING OUR "RATING" IS SUBJECT TO CERTAIN ADJUSTMENTS.

Thus, there has been an improvement in the positions of Shumeyko, who stepped up his efforts in the "proper"—long-term—direction; Skokov, around whom contacts between regional elites and military-industrial complex leaders apparently revolve; and Glazyev, who is also trying to defend the interests of the military-industrial complex and science-intensive sectors.

The ranks of the most influential leaders have been augmented by N. Yegorov, the new minister for nationality affairs and regional policy (see table), and another two Yegorovs: Sergey Yefimovich, president of the Association of Russian Banks, and Mikhail Konstantinovich, Yerin's deputy. They are kept company by M. Mityukov, first deputy chairman of the State Duma, who is one of the leaders most loyal to the presidential team, which means one of the most promising leaders, and who is being considered, in particular, as a candidate for the post of chairman of the Russian Constitutional Court.

State Duma Chairman I. Rybkin's rating is increasing. Not because the Duma's importance and authority are increasing. The Duma is simply a platform, an arena capable of turning an activist—whether of the Communist Party or Agrarian Party—into a figure of nationwide scale. A newspaper specializing in compiling ratings recently wrote that Yeltsin has two alternatives: "In the current situation Chernomyrdin, in the long term Zhirinovskiy." That is naive. V.V. [Vladimir Volfovich Zhirinovskiy] will not do any better than he did 12 December. But as for the premier—no comment.... Rybkin is another matter. The modest, quiet Rybkin is now a real alternative to the president. Provided, of course, as G. Zyuhganov asserts, the "left-wingers" and patriots agree among themselves about supporting a single candidate. Do not forget that the biggest faction in the Duma is not the Liberal Democratic Party of Russia (50 deputies) or "Russia's Choice" (70 deputies) but the indivisible bloc of communists and agrarians (100 deputies).

The list of candidates has also been augmented by such figures as B. Nemtsov, head of Nizhniy Novgorod Administration; V. Sergeyev, leader of the premier's press service; A. Livshits, leader of the Russian Federation president's group of experts, A. Bryachikhin, prefect of Moscow City's Western District; yet another Yegorov (the fourth)—Yevgeniy—chief of Moscow government's department for supporting and developing small and medium-sized businesses; Yu. Petrov, chief of the State Investment Corporation, who has preserved his links with the presidential team; G. Satarov, the president's assistant for the Federal Assembly, who easily finds a common language with the most diverse political groupings; V. Medvedev, president of the Union of Oil Industry Workers of Russia and leader of one of the largest Duma factions; L. Polezhayev, head of Omsk Oblast Administration and chairman of the "Siberian Accord" Interregional Association; Yu. Nozhikov, head of Irkutsk Oblast Administration; K. Titov, head of Samara Oblast Administration and chairman of the "Greater Volga" Interregional Association; Yu. Matochkin, head of Kaliningrad Oblast Administration; M. Prusak, head of Novgorod Oblast Administration; and V. Chub, head of Rostov Oblast Administration.

We believe that our rating has at least one serious flaw—it does not fully assess the level of influence of a number of REGIONAL leaders. This is understandable: Given the existing shortage of information the situation in the regions was not studied properly, but we have started consultations with expert regionalists on this question and we hope that this flaw will gradually be rectified.

It must be said that it was always the regional representatives who always predominated in the USSR's supreme power structures: The recruitment of party and soviet cadres was carried out in this way—via the CPSU oblast committees. Following Yeltsin's victory the new Russian ruling apparatus was formed mainly of Muscovites. Authority is now returning to the old tried and true method—plucking the necessary people from oblast and republic administrations. Thus, on the one hand, we are obtaining authorities which fit in with Russians' mentality but on the other the deintellectualization of the sphere of state management is taking place, and the place of luminaries, often born not in Moscow (but who, for this reasons, nonetheless, know Russia) but who studied at Moscow universities and finished their studies at the likes of Harvard, are being taken by collective farm chairmen and other regional chiefs (who then rule the state like one big collective farm), whom a commentator has aptly dubbed "behemoths"....

Our May list also featured several shady figures—deputy ministers and other state officials. First, M. Yegorov, who is Yerin's deputy. In the opinion of experts he is now the strongest figure in the MVD [Ministry of Internal Affairs], at any rate much stronger than Yerin. Besides which he is a figure who clearly aspires to power. His name cropped up in connection with the rumors of Yerin's possible dismissal (this question, you will recall, was raised by a number of Duma factions after the murder of Ayzderdzis), when Yerin's deputies—Yegorov among them—came under the spotlight.

Second, P. Mostovoy (list of candidates), Chubays' first deputy, who is alleged to be the one actually orchestrating all privatization and the subdivisions of Goskomimushchestvo [State Committee for the Management of State Property], while Chubays is more of a figurehead.

Third, G. Petelin, leader of Chernomyrdin's secretariat, who in our view will be more influential than V. Kvasov, leader of the government apparatus. Fourth, A.

Sobentsov (list of candidates), first deputy leader of the Russian Government apparatus.

Despite expectations, Shakhray's rating did not fall. The squeezing out of the latter by the "president's entourage" to the edge of the floor on which interregional hagglings are being conducted, and the inability and evidently the unwillingness of Chernomyrdin to defend Shakhray, have revealed the weakness of that particular asset of his—the strength of his ties with the presidential branch and directly with the Russian Federation premier, but something else was revealed simultaneously: Shakhray is a completely autonomous figure, which means one that is up for grabs [razygryvayemaya].

Of course, Chubays' rating fell—as a result of his acquisition of an enemy like Luzhkov. Moreover, it is quite clear that it is Chubays who is is losing the struggle under way between the two biggest Russian property administrators. Incidentally, when preparing an "influence rating" for the first time two months back, we noticed that Chubays was one of the next candidates for being "chucked out" of the government.

The following candidates have moved out of the top 50 proper into the ranks of candidates for the top 50:

—A. Starovoytov, leader of Federal Agency of Government Communications and Information (his real influence in the last "rating" was by all accounts exaggerated),

—M. Nikolayev, president of the Republic of Sakha-Yakutia (maybe because he was dependent on "De Beers" and became a politician not so much on a Russian as an international scale),

—M. Maley, chairman of the Security Council's Interdepartmental Commission (has sunk to the bottom),

—A. Sobchak and G. Popov, leaders of the Russian Movement for Democratic Reforms, did not keep their places in our list.

As always, the band of the most influential politicians is not limited to 50. In our opinion candidates for inclusion in the list of the 50 most influential politicians are:

A. Sobchak, G. Popov, M. Maley, M. Nikolayev, A. Starovoytov, V. Kadannikov, N. Gonchar, A. Ilyushenko, P. Mostovoy, A. Volskiy, I. Golembiovskiy, V. Zhirinovskiy, V. Zorkin, A. Tuleyev, A. Rutskoy, G. Yavlinskiy, N. Travkin, A. Solzhenitsyn, R. Aushev, A. Kokoshin, B. Gromov, Yu. Petrov, Ye. Shaposhnikov, E. Rossel, Ye. Yegorov, A. Makarov, A. Sobentsov, B. Nemtsov, A. Bryachikhin, A. Livshits, V. Sergeyev, P. Aven, B. Berezovskiy, S. Rodionov, V. Bokser, N. Ryzhkov, R. Orekhov, A. Kotenkov, V. Alekperov, Ye. Lakhova, V. Groshev, V. Vinogradov, Yu. Nozhikov, L. Polezhayev, K. Titov, Yu. Matochkin, M. Prusak, O. Poptsov, I. Shurchkov, S. Yushenkov, S. Kovalev, V. Shcherbakov, A. Galazov, G. Satarov, V. Medvedev, L. Sukhanov, V. Chub, and M. Rakhimov.

Since we have highlighted a number of little-known "shady" figures—and in Russia it is customary to classify politicians as those to whom the mass media are attracted—we once again remind you of what we mean by the word "politician." By leading politicians we mean leaders (of parties and political movements, executive and legislative organs, information and commercial structures...), possessing the greatest RESOURCES AND POTENTIAL in making and ensuring the implementation of state and political decisions. Putting it simply, those who hold the levers controlling society and the state. These, our domestic history shows us, are traditionally not so much tribunes, ideologues, or even party leaders as functionaries and apparatchiks—akin to spiders, spinning their web of power day and night. That is the reality.

Rutskoy on Building Mass Support

BR1306143294 Rome L'UNITA in Italian 12 Jun 94 p 2

[Interview with former Russian Vice President Aleksandr Rutskoy by Sergio Sergi in Moscow; date not given: "I Will Revive Russia"—first paragraph is L'UNITA introduction]

[Text] Aleksandr Rutskoy speaks. First reluctantly, then the floodgates open. He is shut up at home, like a caged lion, studying, writing, and meditating after his defeat in October 1993, a defeat that burns like the white parliament building burned. The former vice president is contemplating retaliation, but it is no easy matter. Yeltsin is still in the Kremlin, and the opposition is hardly the picture of unity. He would like to be its leader, but agreement is hard to reach. The matter will be on the agenda of the major "patriotic assembly" scheduled for September. Target: the presidential elections. A month ago, Rutskoy said: "We will defeat the regime in May 1995." Is that how it will be? "I said that we will celebrate the 50th anniversary of the victory over Nazi Germany in different conditions, when a regime that is against the people is no longer in power. We must build up a mass movement, a popular movement, that will win power."

[Sergi] You have given a movement of this type two years to grow...

[Rutskoy] Yes, a phase that we refer to as "accumulation of capital" is needed. We envisage permanent membership and rigid discipline, almost like a party, but converting the movement into a party is the long-term prospect. The purpose of the movement will be to unite the various socially-oriented patriotic currents.

[Sergi] You have complained that the opposition failed to win owing to lack of unity...

[Rutskoy] October 1993 was not only a tragedy, it was the crucial moment in which the dice were cast for the fate of the state: It had to choose between a road leading nowhere and the path toward a democratic society enjoying social justice. But there was no popular mass movement, no united opposition with a concrete platform, so the opposition was defeated. The other parties merely fled, communists included. There was just Rutskoy...

[Sergi] However, you have criticism for yourself as well?

[Rutskoy] Of course, but Rutskoy stood firm. He did not run away; he held out to the end. Those who held out to the end with me were the dead, the wounded, and the mutilated. When they ask me now who I believe in, I say that I believe in those who defended the power of the people and democracy in those decisive days. Those in whom I do not believe are the ones who watched the tragedy from a distance and are now trying to take the credit as saviors of the people.

[Sergi] Do you not think that, to build up a mass political movement, you will also have to talk to people whose views are not identical to your own?

[Rutskoy] In the initial phase, the purpose of the movement is to unite parties and movements. The opposition must have clear goals and strategies rooted in the law. Man lives by objective and subjective laws. Equality before the law means democracy, and man must be able to live decently, to develop his potential without limits and restrictions, with rights, freedom, and social guarantees. Moreover, if Russia wishes to remain a state, it must obviously remain a major power.

[Sergi] And how can this strategic project be accomplished?

[Rutskoy] First of all, it needs stability, and words are not enough: There must be deeds. There is no need to sign agreements on social harmony to render a society stable; priorities must be set: housing, food and clothing supplies, health, education, the environment, six issues that affect social stability. But respect for the law, social discipline, behavior according to certain rules, discipline at work, and discipline in business to prevent it from becoming speculation are needed as well. It must all be rooted in the law. And the president will follow. Mussolini used to say, more or less, that the duce elected by the people was above the law. We all know what became of him.

[Sergi] Will you manage to win the Russians over in two years?

[Rutskoy] The movement can have a future when the leader and the movement itself present a definite, clear platform to the people. How long have I taken to explain it to you? Five minutes. Have you understood what I have said? What can be deleted from my scheme of things? If we take out the law, the Constitution will collapse. The president must not be someone who seizes control of all the command buttons. The Constitution, which, moreover, was approved with distortions, does not envisage presidential responsibility. If I were president, the first thing I would do is add a chapter establishing the responsibilities of the citizen and the public officials referred to in the Constitution. But nothing changes here. First we had the emperor, then the "gensek." The same people, painted in a different color, are still in the Kremlin today. Yeltsin has torn up his party membership card. Before, he was a... handball player, then he tore up his membership card and became a tennis player.

[Sergi] Do you think the leader of the movement and the presidential candidate will necessarily be you?

[Rutskoy] It would be immodest to say it must be me. However, it must be a person who stood up in October 1993. The nation cannot have a leader who lurked in the bushes. If someone like that appears on the scene, I shall never give way. Giving way to someone who turned tail at the decisive moment would mean getting the same thing that we have now. I entered politics in 1990, I am neither one of the nomenklatura, nor a bureaucrat, nor a civil servant. I came in off the streets. I used to fly, I served in the Air Force, I fought. My ideas were not born today; I brought them into politics with me in 1990, and I have never backed down from my position. I have finished writing a book on "The Fall of the Empire," and I have begun work on another, "The Acquisition of Trust." Russia is a country of extraordinary wealth, but it does not know how to use it in the interests of the nation. I have never entertained ideas of dominating the world, nor has Russia ever laid claim to superiority. Russia and the Soviet Union have played a stabilizing role in the world system. Russia must now regain this role, and so it must be powerful and democratic, with a just society. The state has always taken first place here, ideology relegating man to second place. But my ideology brings man right to the fore. Any idea can be discredited, buried in the dust. Hitler killed off the idea of national socialism, Yeltsin has done so for the idea of democracy. Of course, quoting Hitler as an example... but what can you do? It is history.

[Sergi] As far as one can make out, everyone, starting with yourself, in this phase of Russian political history, has gone for the issue of patriotic nationalism, but everyone sees it in his or her own way. Yourself, Zhirinovskiy, Solzhenitsyn, and even Yeltsin...

[Rutskoy] But if you read Solzhenitsyn's essay on the set-up that he envisages for Russia, you will see that his vision matches mine perfectly. The only thing on which I disagree with Solzhenitsyn is his view that Russia must not aspire to major power status. I, and I am not alone in this, am convinced that weakness merely inspires compassion and that only strength can engender respect. Russia will not be accorded respect as long as it is weak. Yes, the term "patriotic" is being bandied about by a lot of people, but what sort of patriotism is Yeltsin's if he has dismantled the Soviet Union? Nazi Germany failed to defeat the power that was the USSR in four years. Three drunken idiots, acting hand in glove, signed a document demolishing that power while the fourth—Gorbachev—went off and left them to it because he lacked the strength of mind to stop them. The responsibility for the destruction of this power rests on those four men. And look at the humiliating situation into which Russia has fallen thanks to Yeltsin's patriotism, and look how Kozyrev is behaving. His foreign policy is no better than a doormat. The "Americanization" of foreign policy has brought us what we have in Russia today, and look at the result: The celebrations for the anniversary of the Normandy landings have taken place without Russian participation. As for Zhirinovskiy's patriotism, it is idiotism, not patriotism.

[Sergi] But who is Zhirinovskiy talking to?

[Rutskoy] There is a vacuum, and, as we know, nature abhors a vacuum, so it gets filled with Zhirinovskiy.

[Sergi] Do you really believe that Russia can be reborn?

[Rutskoy] The USSR cannot be reborn in the form in which it existed before. It was a cow that used to chew the cud in its head in Russia and had its udder in the republics for milking. I would not need a union along those same lines. Anyone who wants to come back into Russia as a subject of the Federation is welcome to do so, the doors are open. Those who choose not to, well, it is their own business. But relations with the latter must be based on international principles: The frontiers will be closed, and gas, electricity, oil, and raw materials will all have to be sold at world market prices. After a month, the peoples of those nations will throw their leaders out. There is no need to drag anyone kicking and screaming into Russia; they will come of their own accord, and it will be a union of peoples, a state that has regained its historical perspective. The frontiers must be strictly closed. At the slightest sign of disrespect toward Russia, electricity, gas, and all other supplies will be cut off. We shall send a wagonload of cognac with our congratulations upon complete independence. A month later those same rulers will no longer be in government, as they will have been kicked out by their own peoples.

[Sergi] But this is what Zhirinovskiy is promising too...

[Rutskoy] No, by no means. He has other mechanisms in mind.

[Sergi] So you think there can be a second union, but that joining will be voluntary, not by annexation.

[Rutskoy] Absolutely voluntary annexation. All that it will take will be a referendum, then it will be back into Russia as a member of the Federation with equal economic and political rights.

[Sergi] Are you not afraid that a platform like that might alarm the rest of the world?

[Rutskoy] What fears could it raise? Did the Soviet Union ever hold Italy in its power or say it had national interests in Italy? Then why not be afraid of the United States, which sent planes to bomb Yugoslavia from Italian territory? Why fear the USSR and not the United States? The world is an axis, and the axis is the sword. It all depends on who holds it by the hilt. The axis is more stable when it rests on two supports: one power and another power. On the other hand, if a single power holds the axis...

[Sergi] Do you miss the days when there were two superpowers?

[Rutskoy] I miss nothing. I say this is the way it must be, and, if I become president, this is how it will be. I know how to do it; without intimidation. I know how to build up relations in such a way that they do not regard you as an enemy.

[Sergi] Would you sign the NATO's Partnership for Peace now?

[Rutskoy] No. It is not a Partnership for Peace, it is a partnership for subjugating Russia. No patriot would ever sign a document like that, as it would be a betrayal of the nation.

[Sergi] What do you have to say about the forthcoming G-7 meeting?

[Rutskoy] Russia will never be a member of the Big Seven. The G-7 will never become the G-8 as long as Russia is in a humiliating position.

[Sergi] But Russia is a country rich in resources...

[Rutskoy] The USSR experienced a 17-percent drop in national income over the four years of the World War. It has plummeted by 45 percent in the three years of the reforms. Industrial output fell by 24 percent in four years of war, and it has now fallen by 60 percent.

[Sergi] I imagine you will have read Yeltsin's book. Is the anecdote about the Italian shoes that you recommended to the president to improve his image true?

[Rutskoy] Quite true, but he left out the fact that he took those shoes. And he also took clothes and everything else that some Italian friends of mine had brought me.

Shakhray on Importance of Regional Policy

PM1306112194 Moscow ROSSIYSKIYE VESTI in Russian 11 Jun 94 p 2

[Account by Dmitriy Orlov of interview with Russian Deputy Premier Sergey Shakhray: "Forecast: The State's Future Should Not Be Decided Within the Garden Ring, Russian Government Deputy Chairman Sergey Shakhray Believes"]

[Text] When speaking about Russia's future it is necessary to bear in mind that events may develop in various ways. It is feasible that the country may either enter a state of chaos and disintegration, become a police state, or emerge as a real federation with developed local self-government.

I am convinced that federalism today is the only means of preserving a stable political regime and state unity. That is why it is so important to formulate a state regional policy. Its main objectives should be to even out the position of citizens in all regions, guarantee human rights and citizens' rights, and protect the territorial integrity and unity of the economic area.

The main conflict within the Russian Federation's state system resides in the existence of ethnic and territorial models for the organization of authority in the regions. There is real asymmetry within the federation, and equalizing the status of oblasts and kray to the level of republics within the Russian Federation means considerably relieving this asymmetry. But the conflict between the ethnic and territorial models will take its toll on the Russian state system for a long time to come.

Contrary to the assessments being heard today, Russia is a federation based not on a treaty but a constitution. At the same time Articles 11 and 78 of the Russian Federation Constitution enable the diversity of the state's regions to be preserved while the Federation Treaty is an instrument of the law in force. However, the treaty-based form of delimiting authority between organs of federal power and Federation components may be used with regard to republics that have not signed the Federation Treaty. The constitutional norms regulating the demarcation of powers are primarily imperfect in that the legislature and judiciary are excluded from this process. This has led to the government and other executive organs virtually having a monopoly on deciding the substance of national policy.

There is another problem in relations between the center and the regions: Federation components received the right to legislate and are making vigorous use thereof. At the moment one is not conscious of pressure from local legislation, but there is a threat of unified legal standards becoming weakened. It is absolutely essential that the federal parliament retains its unsurpassable initiative in respect of the fundamentals of legislation. "Model" legislation is needed—standard acts which are generally borrowed by republic parliaments and kray and oblast legislative assemblies. What is more, the Law on the Constitutional Court must finally undergo a second reading because the federal executive and legislature do not have the authority to abrogate acts adopted by Federation components. It is the Constitutional Court that can determine the framework of the treaty process governing the mutual delegation of powers and demarcation of objects of jurisdiction between the center and the regions. Many people say that any kind of treaty process brings down the Federation. However we would remind you that three years ago Russia and Tatarstan flexed their muscles at one another. They had enough courage to resolve the conflict by first economic agreements and then a bilateral treaty. In my view the same mechanism is quite applicable in relations between Kiev and Simferopol and in conditions in the Dniester Region and Karabakh.

In our view, interregional economic associations represent a system compelling state centers in the CIS countries to embark on integration by means of reciprocal treaties. On that basis a confederative core of three or four states can and must be created within the CIS. Otherwise the processes of integration could be uncontrolled.

Nor must one forget that, given the separatism in a number of regions, market relations do not eliminate but intensify the regional imbalances. In this connection prices of power and railroad transport tariffs must be subject to mandatory regulation. One must also bear in mind the fact that certain regions are wholly "tied" to the fuel and energy complex, the military-industrial complex (Udmurtia), or the agro-industrial complex (Altay) and regional state administrative and economic structures are being consolidated, yet the configuration of the Moscow political elite virtually does not reflect these processes.

The state's future should not be decided within the Garden Ring, otherwise the "rules of play" will not be accepted by all the participants.

Further on CPRF Call for Abolition of Presidency

PM1306132194 Moscow SOVETSKAYA ROSSIYA in Russian 11 Jun 94 p 1

[Unattributed report: "Three Years of Destruction"]

[Text] The Communist Party of the Russian Federation Central Committee Presidium and the Communist faction in the State Duma has issued a statement on the policy of the destruction of the foundations of Russia's economic life which has been pursued over the past three years. The statement says, among other things:

For the past three years the greatest tragedy has been unfolding before the eyes of millions of people in our country. With the adoption of the Declaration on the Sovereignty of Russia and the election of B. Yeltsin as president, a disastrous course of so-called "reforms" designed to take society back to a wild and barbaric capitalism has been inflicted on the peoples of a great country.

While promising to extricate Russia rapidly from the economic crisis, the president and his government have plunged it into an even deeper, all-embracing crisis. The decline in production in the country has passed the 50-percent mark and its most important sectors are on the verge of self-destruction. The retooling of enterprises has virtually come to a standstill. Agriculture, precision machine building, and the textile and light industries are near to total collapse. Basic science and other forms of scientific research are being wound down. The president's attempts to create by his edicts the semblance of a campaign against the economy's rapid collapse are merely aggravating it. In the past three years there has been a sharp stratification of society and the guarantees of citizens' rights to work, free education and medical help, security in old age, and a youth full of confidence in the future have been destroyed.

Inflation and the uncontrolled rise in prices, unemployment and intellectual bankruptcy, and bloody interethnic conflicts and crime exceeding all bounds have become the daily accompaniments to millions of people's lives. The process of the nation's degeneration has begun.

In these conditions, the statement goes on to say, any state leader with even a modicum of self-respect would be obliged to quit the political stage and recognize the failure of his course and the unprofessionalism and erroneousness of his decisions. However, we do not see even the slightest desire to change a course which has brought grief and suffering to many millions of people.

Bearing this is mind, the Communist Party of the Russian Federation and its faction in the State Duma urge all truly patriotic and democratic forces to unite in the legitimate struggle for a radical change of Russian state policy, the departure of the ruling regime from the political arena, the abolition of the institution of the presidency, and the creation of a government that enjoys the people's trust.

Moscow, 10 June 1994.

Emergency Anti-Crime Measures Urged

PM1306152794 Moscow TRUD in Russian 11 Jun 94 p 1

[Open letter from V.V. Kadannikov of the All-Russia Automobile Alliance group: "Two Billion Reward for Information"]

[Text] Blood was spilled yet again in Moscow 7 June. Three shots, three terrorist acts, cost the lives of several of our fellow citizens, and dozens of Russians received wounds. The victims were a driver, a nurse, a worker, a housewife, and the president of a company—the criminals spare no one. Especially those who carry out practical transformations in the Russian economy and defend people's right to a dignified life.

Boris Berezovskiy, general director of the All-Russian Automobile Alliance, was wounded 7 June. It was pure chance that one of the initiators of a major Russian project in which millions of Russians have put their faith and invested their savings survived. His comrade standing nearby was killed.

It has become clear once and for all that a parallel power of criminals and murderers is arising in Russia.

Those who support the president and the government, who are trying to revive the economy, demand that a stop be put to the existing mayhem forthwith. Both organized crime and the state executive apparatus must finally understand: Enough is enough!

We demand that emergency measures be adopted to ensure the safety of Russian citizens. If the law-enforcement organs need extraordinary powers to do this, they must be given them; if additional material and financial resources are needed, they will be provided.

Our demand is that the criminals be found. We accordingly announce that anyone who provides information leading to the exposure of the instigators and perpetrators of the terrorist act perpetrated against the leadership and staffers of the All-Russia Automobile Alliance will be paid a reward of two billion rubles. We guarantee confidentiality.

Country 'On Right Track,' Despite Problems

PM1406085994 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 94 p 3

[Article by political Analyst Aleksey Kiva: "We Have Been Independent for Three Years"]

[Text] **Let us recall the starting point of the roots of Russian sovereignty which basically gave life to the new Russia. These were the last years of the Gorbachev period, when as a result of the glasnost and openness which had just begun, we Russians learned how much our communist rulers had hidden from us. Extremely tough questions came to the fore. Why, for example, were the majority of Russians so poor? Poorer than the inhabitants of many other republics which did not possess our wealth or our intellectual, scientific, and technical potential. Why should wealth flow out of Russia on such a scale, ending up in other republics and God knows where?**

According to calculations made by the well-known economist Nikolay Shmelev, resources worth $50 billion were redistributed every year across the USSR at Russia's expense—this was an inescapable fact. The "industrial giants" bypassed by structural perestroyka turned into museums of the early industrial age. Villages in the central chernozem oblasts became depopulated. Roads everywhere fell into disrepair. The incidence of infectious diseases increased. The birth rate fell....

One question followed another. Why was the Soviet imperial center rapaciously exploiting Russia and literally plundering irreplaceable natural resources? Why were people's living environments being so criminally poisoned? Was it justified in peacetime to have such an enormous military-industrial complex employing at least 70 percent of the nation's potential?

Basically, Russia resolved to take its fate into its own hands through force of circumstance. Maybe many of us have forgotten how the question of Russia's sovereignty arose and why this idea met with practically universal approval in the old RSFSR Supreme Soviet, which was composed primarily of Communist deputies. It touches on the question of who started to "destroy the Union" and why.

The truth is that "great Russia" was destroyed by the Communists themselves; moreover they destroyed it long ago, even before the period of Gorbachev's perestroyka. They destroyed it because they tried to realize the utopia of communism. The August 1991 putsch merely exposed what had been rotting for a long time—both the system and the empire state.

What Have We Achieved During the Last Three Years?

First. It was possible to get the breakup of the USSR under control through the establishment of the CIS. Russia was **thereby able to avoid a full-scale civil war.** Let us call all these things by their names. Russia was an empire. But it is unlikely that any of us living in Russia now would interpret the "soft breakup" of the USSR as a blessing for Russia. Even when we contemplate the sad experience of Yugoslavia, where force was used to impede a similar process of collapse. Too many negative consequences are apparent to us now. This assessment is the task of future historians.

Second. During the years since independence **we have been able to dismantle communism as a value system.** For a whole series of reasons, real socialism proved to be more deep-rooted in its homeland than in the "fraternal countries" of Europe. In our country, the "farewell to real socialism" dragged on for almost three years. Only the disappearance of the soviets made the revanchist task of the communist and patriotic forces practically unrealizable.

Third. I consider the adoption of a new Constitution and the holding of parliamentary elections to be an extremely important landmark in the development of Russia as a new democratic state. On the one hand, a line was drawn under the communist system that had existed in the country. On the other hand, **the fundamental principles of a new social system were established,** based on the same principles which exist in the most prosperous countries in the world.

However complex the composition of the present Federal Assembly, particularly the State Duma, it is nevertheless not the former Supreme Soviet. The Duma undoubtedly has a constructive core of deputies, and it operates as a lawmaking organ.

Fourth. Conditions have been created to implement the ideas of civil accord. It is not simply a matter of signing or not signing the Treaty on Civil Accord. We have started to address a task which goes far beyond the framework of the powers both of the present parliament and the president alike. This is an all-embracing task, the solution to which will affect the future of our nation and our country for years and decades to come. It is starting right now with the resolution of political problems.

It is no secret that some people who consider themselves supporters of democracy have reproached President Boris Yeltsin with not exploiting the situation that existed after the events of 3-4 October 1993; they urged him to use tough methods in order to speed up the establishment of social, economic, and other preconditions for a subsequent and more robust acceleration of democracy. But this would have meant replacing the reforms model wholesale and sending the country down a slippery path fraught with dangers.

Fifth. During the past few years **we have managed to set in motion the flywheel of market relations.** It is possible to give a negative assessment of our embryonic half-wild and half-mafia market. We can lament the fact that it has not become civilized with a wave of a magic wand. Generally speaking, it is easy for us to wallow in catastrophic predictions and gloomy prophecies regarding our sad future.

But we can also approach the matter in a different way. First of all, we can display a sympathetic understanding of the country we live in, its customs and traditions, and whether we are prepared to embark right away on building a civilized and highly cultured society after 75 years of communist supremacy.

It would not hurt us to open our eyes a little wider in order to appreciate what has been achieved and secured in the last few years. Not only the rights and freedoms that are being implemented in practice. There is also the abundance of goods we have never had before. We have seen the last of the "food trains," "food buses," and so forth. We no longer have to waste time looking for carrots and sausages. Opportunities the like of which we never dreamed before have opened up.

Yes, there are plenty of ugly features in our lives. We are strangled by corruption. We are oppressed by bureaucracy. And criminals are becoming more audacious every day. Economic reform sometimes operates at half cock or simply idles along. We must correct all this, refine it, and perhaps change it radically. Only without panic or hysterics.

And finally. A new reforms course has been mapped out, the fight against crime is being stepped up, and the Treaty of Civil Accord has begun to be implemented.

HOWEVER, WHAT HAVE WE NOT MANAGED TO ACHIEVE over the recent period? First, we have been unable to avoid acutely conflictual social development and confrontation between the various branches of power, which ultimately led to the tragic events of October 1993. Second, we have been unable to avoid a number of mistakes and errors in the economic sphere, mistakes which can hardly be termed inevitable. Third, literally right from the start of the reforms the reformers have been unable to establish a permanent dialogue with the people, something which would have enabled them to secure greater understanding and support from the people, including amendments to the reforms course. I am sure the social cost of the reforms could be reduced if a more skillful policy were to be pursued.

Finally, it has not proved possible to reduce the acuteness of the social discomfort experienced by many Russians, their loss of social and moral guidelines, and even their loss of faith in the future. Why has this happened? In my view, because the new authorities have not put forward in good time an attractive social model to replace real socialism and have not proposed a new system of moral and spiritual values. The mistake was that it was necessary to provide an answer straightaway to the questions which have been worrying society—"What are we building?" and "Where are we going?"

Who knows, under our specific conditions we may not have made the worst of starts. At any rate Russia is by no means losing out when viewed against the backdrop of the other former USSR republics. Including countries like Ukraine, Belorussia [Belarus], or Kazakhstan, which initially tried to introduce a different, profoundly centralized reform model. It has not worked. This means that we are on the right track, however hard it may be.

Ecology Official on New Decree

PM1306115194 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 94 First Edition p 4

[Interview with Aleksey Yablokov, chairman of the Russian Federation Security Council Interdepartmental Commission for Environmental Security, by Lada Lyashenko; date, place not given: "Nature Does Not Forgive Carelessness"]

[Text] [Lyashenko] Aleksey Vladimirovich, you have frequently said that it is impossible for any country to have a future if it does not protect the environment. Will the new decree [On Russian Government Action Plan for Environmental Protection for 1994-1995] help our environment?

[Yablokov] Undoubtedly. This decree is the first step in carrying out the not unknown Edict of the President dated 4 February of this year, which instructed the government to elaborate a specific plan of action for the protection of the environment for 1994-1995 and present a concept for its consistent development by 1 October. The plan of action has been elaborated by the Ministry for the Protection of the Environment together with the Ministry of the Economy, which is very important. For the first time, we are not setting the environment against the economy, but bringing them together. This step signifies the beginning of a new state policy in the sphere of the protection of the environment. After all, policy is when people who adopt decisions look far into the future. The shortcoming of today's politicians is that they most often adopt decisions for today. And after all, the environment is a matter of the future.

[Lyashenko] What basic guidlines for the protection of the environment have been elaborated in the government's plan of action?

[Yablokov] Primarily international cooperation. We need to determine how Russia fits into global ecological problems, such as the ozone layer, the greenhouse effect, and the protection of the oceans. Equally important are regional problems—Lake Baykal, the Caspian Sea, the Aral Sea, and the Volga. After all, this is not just a matter of individual regions. The health of the population, which is deteriorating disastrously, is a special sphere. Despite the fact that the Ministry for the Protection of the Environment assures us that the situation is improving, there are grounds for concern. In 1993 alone, the average lifespan fell by three years. A boy born this year has no chance of even reaching pension age, since average life expectancy for men by that time will be 59. And after all, our health depends on the environment by approximately 30 percent.

The new decree is also important because all the federal programs and legislative acts named in it have been coordinated with the relevant State Duma committees.

[Lyashenko] Will it not turn out that we will once again put off ecological problems till later and our good intentions will be left hanging in mid-air?

[Yablokov] Unless we organize constant pressure on the government, and in the mass media too, then nothing will be done. Remember how it all began: The explosion of the ecological movement occurred in 1987-1989, then people forgot about it, and the economic confusion began. Today we have gone back to the original positions, because the burden of the environmental load is so heavy that the country may stumble and there may simply be no economic development. A very great deal in the implementation of the outlined program depends on the regions. After all, the government cannot operate by giving orders any more, like it used to in the past. And indeed this would not work economically: A large part of the money is in the localities.

[Lyashenko] Are you satisfied with the normative base of the decree?

[Yablokov] On the whole, yes. There are just a few sections of wording that do not suit me. For example, the law on waste from production and consumption. This concept is too broad. I think that we need a law on particularly dangerous waste. That kind of wording is more precise.

Economic Issues

Tax Police Chief Cites Department's Successes

PM1306122794 Moscow ROSSIYSKIYE VESTI in Russian 9 Jun 94 p 6

[Interview with Major General Vladimir Avdiyskiy, chief of Russian Federation Tax Police Department Control and Auditing Administration, by Nikolay Ivanov; place and date not given: "The Tax Police Has Restored 630 Billion Rubles to the Budget. And This in Just Three Months"]

[Excerpts] Has the tax police succeeded in protecting state interests in the economic sphere? With this question ROSSIYSKIYE VESTI's correspondent began his conversation with Major General Vladimir Avdiyskiy, chief of the Russian Federation Tax Police Department Control and Auditing Administration. [passage omitted]

[Avdiyskiy] Commercial structures account for most violations of legislation, for they outstrip state enterprises by almost 10 times in terms of this indicator. Partnerships with limited liability account for a large percentage (25 percent), and then come private enterprises (11 percent), followed by closed-type joint-stock companies and joint ventures.

What methods are used? All sorts of international contracts and treaties constitute one of the most widespread methods today. To put it more concretely—the transfer [peregon] of money. Look: I touch a computer key, and the state of Liechtenstein, let us assume, appears on the screen. What do we have there? There we have N., a certain Russian emigre, who has links with some 20 firms and private individuals in all the CIS countries.

[Ivanov] How many joint ventures do we have in Russia?

[Avdiyskiy] If I give the figure 6,359, this was how many joint ventures, organized with firms in 112 foreign countries, were operating last year. The United States, Germany, China, and Finland are in the lead here.

Only I am in no way saying that they are all definitely swindling. Certainly not. But many merit a certain monitoring.

[Ivanov] What of the results? What specifically has the tax police done for Russia?

[Avdiyskiy] Here we can now use the language not of percentages but of figures. During the first quarter of this year an additional 630 billion rubles [R], U.S.$2 million, and 700,000 German marks were credited to the state's budget jointly with the State Tax Service. This was close to the indicators that we had during the whole of last year! This year over 300 criminal cases have been instituted on the basis of tax police materials. The second quarter also promises to be no less "fruitful": Checks are being completed which already, in the preliminary work on them, entail the concealment of profits from taxation on a particularly large scale, i.e. they come under the corresponding article of the Criminal Code. There is also a growing number of offenses for which the sanctions are fines of R1 billion and more; whereas 69 such cases were registered last year, 42 were registered just during the first three months of this year. [passage omitted]

Computer Forum Opens in Moscow

PM1306144194 Moscow IZVESTIYA in Russian 11 Jun 94 p 2

[Report by Sergey Leskov: "International Forum Brings Together New Boys in the Computer World"]

[Text] The Fifth International Computer Forum, which traditionally assembles the world market leaders in information technology, has opened at the International Trade Center. The International Computer Forum is an elite gathering of computer people—tickets for the event are not on sale, you cannot just "walk in" off the street. Each year the International Computer Forum marks a stage in the country's progress toward the assimilation of modern information technology.

This time around 600 computer industry leaders were registered in Moscow. Some of the ever-presents—such as the famous "Borland"—decided to miss out on this forum. On the one hand, this looks like a slight, but most often refusal is due to the fact that the leading computer firms in Russia already have a network of dealers and distributors, and they usually display only innovations at the Moscow forum. The International Computer Forum differs from the larger "Komtek" exhibition in that the forum is not a trade fair but a place to draw attention to your name. The practice of previous forums shows that invitations to the International Computer Forum are much in demand and are sold and resold at large "mark-ups."

In the opinion of Mikhail Mishustin, chairman of the International Computer Club Board, the distinctive feature of Russia's computer market in 1994 will be the increasing activeness of managers who have been trained in the West. Talented programmers who have surprised their colleagues with their output play a secondary role, while the businessmen, who just five years ago could make some kind of a living by reselling simple Western computers, are quite overshadowed. These changes show that Russia, following the example of the developed countries, is gradually organizing a civilized information technology structure.

The number of computers in Russia is currently put at 3 million "PC's," while the software market is valued at $350 million. Last year around 500,000 computers were sold in Russia—still very few by the standards of the developed world. But attention is drawn to the increasingly widespread switch from 286's to more modern processors.

The Fifth International Computer Forum was marked by the number of new boys in the computer world. The Banyan company, which has thrown down the gauntlet in the network operating systems market to the mighty Novell, was making its Moscow debut. "Entrepreneur of the Year" Dzherri Rodzhers [name as transliterated], president of the Cyrix firm, which destroyed Intel's long-standing monopoly in developing 386- and 486-compatible processors, will be coming to Moscow. The forum is particularly valuable for the participation of Sisko [name as transliterated] Systems, the world leader in the market for internetwork communications—which Russia needs more than anything. It is clear from the list of participants that the International Computer Forum is seen by Western participants as an important springboard for the veritable war that is currently being waged in the market for central processors.

The special events include the first presentation of certificates to the 100 most influential people in the Russian computer market—whom we have now followed the developed countries in identifying. The "top 10" were also picked out. These included IZVESTIYA's hero—Yevgeniy Veselov of "Mikroinform." Stepan Pachikov ("Paragraf") was named most influential person in the software sector, with Anatoliy Karachinskiy ("Ay-Bi-Es") getting the hardware award. The "top 10" includes seven Russians and three foreigners.

Federal Assembly

Federal Assembly Decree on Commemorating WWII Victory

PM1306143194 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 94 p 3

[Decree No. 123-I SF of the Federation Council of the Russian Federation Federal Assembly "On Preparations for the 50th Anniversary of Victory in the Great Patriotic War," dated Moscow, 1 June 1994 and signed by V.N. Viktorov, deputy chairman of the Federation Council of the Russian Federation Federal Assembly]

[Text] Having listened to information submitted by the Federation Council Committee for Security and Defense Questions regarding preparations for the 50th anniversary of victory in the Great Patriotic War, the Federation Council decrees that:

1. The following proposals shall be submitted to the Russian Federation Government:

—funds shall be allocated from the federal budget to prepare and hold events in connection with celebrations to mark the memorial dates of the Great Patriotic War of 1941-1945;

—a set of measures to be organized and held in 1994-1995 involving searching for and ceremonially reinterring the remains of soldiers who died during the Great Patriotic War on Russian territory and who were not given a proper burial is to be included in the work plan of the Russian Organizational Committee for Preparing and Holding Events in Connection With the Memorial Dates of the Great Patriotic War of 1941-1945.

2. Russian Federation representatives in the Russian Federation parliamentary delegation to the Interparliamentary Assembly of CIS Member States are to be tasked during 1994-1995 with putting the issue of organizing and carrying out searches and ceremonial reinterments of the remains of soldiers who died during the Great Patriotic War on the territory of CIS member states and who were not given a proper burial onto the agenda of the next session of the Interparliamentary Assembly.

[Signed] V.N. Viktorov, deputy chairman of the Federation Council of the Russian Federation Federal Assembly
Moscow
1 June 1994
No. 123-I SF

Chambers Differ on How Regions Should Operate

PM1306132794 Moscow ROSSIYSKIYE VESTI in Russian 11 Jun 94 p 1

[Report by Lyubov Tsukanova: "Legislators of the Whole Country Unite"]

[Text] The Federation Council held a conference 10-11 June with leaders of organs of representative power in Russian Federation components—republics, krays, oblasts, and autonomous formations. Taking part were the leaders of the parliament's chambers, Federation Council and State Duma deputies, representatives of the government, and heads of representative organs of power in Federation components.

In connection with the recently widespread story that a "power party" of regional leaders is maturing within the depths of the Federation Council (a nonformalized but influential party, needless to say) the conference can be regarded as a kind of organizational event: This is the first time that the top leaders of the Federal Assembly have met specially with their colleagues from the regional parliaments, legislative assemblies, oblast dumas, etc. A parallel involuntarily suggests itself with last year's clear attempt by the Supreme Soviet to create a legislative vertical to counterbalance the executive—something for which neither the previous nor the current Constitution incidentally make provision.

However, just as the political situation has changed over the year, the tasks facing the chambers of the Federal Assembly as regards regional representative power have also changed considerably. Let us start with the fact that, even if it were planned, the formation of a vertical has been complicated by the federal parliament's "division in two": Notwithstanding the fact that the upper and lower chambers ultimately have common objectives (the formation of federal legislation) the Federation Council's and State Duma's tactical goals and behavior patterns differ considerably and the contradictions between them are too marked to presuppose any unity of will as regards "government" and even as regards coordinating the activity of all representative bodies in the localities. What is more, the Federation Council, which developed in the absence of local legislative organs in most regions, comprises to a considerable extent republic presidents and the heads of kray and oblast administrations, i.e. representatives of the executive, whose interests differ considerably from those of the representative branch (although this fact may be an additional incentive for the Federation Council to cooperate with local legislators). Be that as it may, Federation Council Chairman Vladimir Shumeyko considers the talk of a "power party" futile and insists that the parliament needs to work with Federation components in order to further develop the principles of Russia's federal system. The task now is no longer and not so much to reallocate powers between the center and the regions, he said, as to establish normal relations between the actual components of the Federation. In this process the upper chamber is in his view designed to defend the interests of Federation components—both in their relations with the center and in cooperation among them.

As for the State Duma's objectives, they were expressed fairly clearly during the parliamentary hearings 9 June devoted to the principles of coordinating the legislative activity of organs of state power. With regional representative organs' acquisition of legislative functions (under the new Constitution) the question arises of systematizing all lawmaking activity, without which legal chaos, or at the very least disagreements that may destroy the country's unified legal and economic area, are inevitable. State Duma Chairman Ivan Rybkin has of late repeatedly spoken of Russian legislation lagging behind the requirements of economic reform. This considerable deficiency, he believes, must be overcome, and as quickly as possible. According to the organizers of the State Duma parliamentary hearings and the Federation Council conference that has just opened, cooperation in this sphere may be good for the cause.

At any rate (and this has also been pointed out in the declaration regarding the joint work of the State Duma and legislative bodies) the conference will result in the creation of a coordinating body to formulate a unified strategy in the sphere of legislation and the creation of an informational system extending to Federation components to keep track of and coordinate all stages of lawmaking activity.

Duma's Approach to Defense Budget Criticized

PM1306145994 Moscow KRASNAYA ZVEZDA in Russian 11 Jun 94 p 2

[Article by Observer Aleksandr Golts under the "Week's Topic" rubric: "Battle for the Budget: The Argument Over Figures Never Became a Debate on the Country's Security Problems"]

[Text] The past political week in Russia must have really delighted pedantic champions of parliamentarianism. At last everything here was "as with other people." I mean the heated budget battles in the Federal Assembly, which centered, as is proper, on defense spending.

If we disregard the results and the fact that the figures approved by the State Duma for the military budget bring the Armed Forces to the verge of mere survival or even push them beyond it, the very fact of this debate must, at first sight, provide definite grounds for optimism. Our parliamentarians have finally realized that they can influence the country's development—and influence it perfectly really—not through endless arguing over political questions. But the way this is done in all civilized countries—through the budget. Throughout the world, by allocating or not allocating money under a particular heading to a particular government program, the people's elected representatives shape the state policy which they deem necessary.

In this context the present difficulties of the defense department and of our military industry would seem to be on a par with those encountered by the military department and the military-industrial complex of, let us say, the United States. The Pentagon always gets less than it asks for. But, alas, the similarity here seems purely superficial, a similarity of procedure and form, certainly not one relating to the crux of the matter. For, at least in the perception of the public, the heated parliamentary fighting centered on highly abstract figures. It turned out that 37 trillion rubles [R] was arguing with R55 trillion.

And yet fundamentally different approaches lie behind these figures. Not even approaches to the future fate of the Army, for which undying love is sworn by all Russian politicians (who, it is true, forget that the Army must not only be loved but also fed). I am talking of approaches to ensuring the country's security.

So the Ministry of Defense, relying on the main provisions of the military doctrine, having reckoned up the possible threats to our security, and mindful of the problems facing the Armed Forces and of Russia's international obligations, formed a certain military budget. The Ministry of Finance disagreed with it, which apparently is normal. At the same time the approach itself was formulated in a fundamentally different way: We will give as much money as we can, based on the state's assumed income. The Duma inclined toward the second approach. This, taking the state of our economy into account, would also be understandable in general. But for one highly material circumstance.

Parliament failed to take the next step, which was absolutely essential in that situation. Namely, it did not, as far as I know, assume the responsibility of deciding just how, in fact, the Ministry of Defense should dispose of the funds allocated and what it should renounce. In giving this money to the Army, it was necessary to say honestly: It is the State Duma—an organ of legislative power—and not the "notorious bureaucrats" of the Ministry of Defense which, owing to the economic situation, is depriving servicemen of a considerable proportion of the privileges that were granted them previously. In giving this money to the Army, parliament should have acknowledged that for the same reason soldiers would be fed and clothed worse. The legislature should also have assumed responsibility for the fact that considerably fewer apartments than planned would be constructed. Consequently, with the legislators' blessing many units and formations being withdrawn from Germany and the Baltic republics would be housed out in the open.

Moreover, precisely the parliamentarians should have taken the trouble to decide who, essentially, was to abandon combat training and where, and who was to make the switch exclusively to guarding storehouses and military installations and to mothballing military property. For it is perfectly obvious that it is impossible, within the framework of the funds being allocated, to maintain the combat readiness of all units, formations, and districts.

That is, in adopting such a budget, parliament should have recognized that not even the minimum requirements of all the Armed Forces would be satisfied. And defined the vitally important elements of the country's security structure which it considers it necessary to finance, as well as the less important ones which can be abandoned. And assumed responsibility for those decisions. There should have been a debate on those priorities, not about abstract figures. But there was not.

Instead, the opinion was widespread that the military was sabotaging reforms in the Armed Forces, which is why the Army cannot manage on the funds allocated to it. All this talk is painfully reminiscent of what our leaders were saying about conversion at the end of the eighties. Conversion, they said, will not only provide the military-industrial complex with work but will also give a boost to the entire country's development. The only hindrance is the sluggish thinking of the corps of directors. Something else was and still is a hindrance: A reluctance to understand that any reform, be it conversion of military production or Army reform, requires huge additional funds.

And yet those who sit in the State Duma are certainly not naive. There are sufficient qualified economists there to be aware of the obvious. But for some reason they prefer not to talk about real, basic problems. There can be just one explanation for this, although it is not quite pleasant for the legislators. They do not believe that the budget is realistic. They do not believe that, by discussing it, they are really financing a particular aspect of the state's life.

They believe that the government will fail to secure the income on which it is reckoning. If this is so, then the crumbs that are gathered up will be distributed "on a current basis," i.e. according to the method of stopping holes. In this case all debate resembles the torments of one of Zhvanetskiy's characters. The one who agonized over whether to buy crayfish at "yesterday's R5" or "today's R3," when he neither had R5 yesterday nor has R3 today. Then, in discussing the military budget, it is hardly worth going deeply into such complex matters as defense capability. Then it becomes clear why the budget's approval became a field for interparty intrigues, loud statements, and overt politicking. It follows from this that our politicians, alas, have not matured to the point of real parliamentarianism, which embodies, above all, responsibility for the country.

Duma Draft on Cooperatives Seen As Threat to Private Farms

PM1306153594 Moscow IZVESTIYA in Russian 11 Jun 94 p 2

[Report by Valeriy Konovalov: "Draft Plan for New Collectivization Appears in State Duma"]

[Text] The Russian State Duma Agrarian Affairs Committee has prepared a new version of the Russian Federation draft law "On Agricultural Cooperatives" which, if adopted, could nullify the entire agrarian reform.

The preparation of the law on agricultural cooperatives has been like a detective story developing over many months. The draft of the document was elaborated by a group of well-known economists and lawyers, writers of many works on theory and legal questions of cooperatives and the world cooperative movement. It was relevant a year ago. If the law had appeared then, it would have been possible to obviate many problems and difficulties in the formation of the new body of peasant entrepreneurs, legalize cooperation among farmers, and ease the countryside's financial problems. But the draft law met with serious resistance on the part of defenders of the kolkhoz sustem, since the foundations of this system were being finally undermined. We have talked on more than one occasion about the travails of this document, which made a laborious passage through various bodies and then went no one knows where.

Finally, all the hurdles were apparently overcome. The draft obtained the approval not only of leading experts, including foreign ones, but also of the Agriculture Ministry Council on Agrarian Policy and the government and was recommended for consideration in the State Duma.

Then came a further surprise. Yet another draft appeared, one submitted by the State Duma Agrarian Committee. Unlike its predecessor, this version will apparently not be impeded on the path to approval. Our information is that it is to be examined by the lower chamber in the very near future.

But the document is very surprising. Much of it is a rehash of the first version—in the wording and some theoretical postulates. But these are interspersed with elements that not only contradict the rehashed articles, but nullify them.

The first article of the draft, for example, says that agricultural cooperatives in Russia only existed as such before collectivization, yet the fourth article places kolkhoz and cooperative on a par with one another. Moreover, it proposes that the kolkhoz be legalized in its most classic, Soviet form: "The owner's rights to shares of land and property pass to the kolkhoz (cooperative) as a corporate body that manages them in accordance with statutes which are formalized by an act of state after its registration."

This means that peasants will effectively have their shares of land and property taken away from them and so-called kolkhoz-cooperative ownership (joint property belonging to no one) will live again. It also marks the revival of the long-forgotten Partnerships for Joint Working of the Land and the fabrication of "cooperative farms," a concept unknown to world theory and practice. This law, if adopted, will provide the defenders of the kolkhoz system with a powerful legal weapon for new collectivization, for halting the reforms, and for strangling private farming.

This is not the first attempted legislative assault on the reform of the countryside. Only recently a draft law was proposed on collective agricultural enterprises. It did not get through. Now we have a new assault, perhaps the most serious.

Regional Affairs

Dudayev Forces, Opposition Clash in Groznyy

LD1306143294 Moscow ITAR-TASS World Service in Russian 1231 GMT 13 Jun 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 13 Jun—The armed groupings of Ruslan Labazanov and Khoza Suleymanov, which rose up against Dzhokhar Dudayev, have been almost completely crushed, the republic's Ministry of Internal Affairs told ITAR-TASS.

As has already been reported, these two powerful groupings, equipped not only with infantry weapons, but also with seven units of armor, sent their men into central Groznyy over the weekend, making a number of demands of the present Chechnya authorities. Lengthy talks were unproductive. Furthermore, on Sunday evening the insurgents shelled the building housing the National Security Department and tried to hold a rally on the city's central square. The authorities decided to eliminate the groups.

By 0400 this morning forces loyal to Dzhokhar Dudayev had blocked the insurgents in one of the rayons of Groznyy and, following a long battle involving the use of armor, took by storm the four four-floor buildings that the insurgents had occupied.

Eight government soldiers were killed, including Khamzat Khankarov, the commander of the Chechen formations that had been fighting in the conflict in Abkhazia.

The number of victims of the other side and among civilians is still unclear. Khoza Suleymanov, badly wounded, has been arrested. It is not known what has happened to Ruslan Labazanov.

Chechnya's law enforcement bodies are carrying out a search for remaining insurgents who have disappeared in the city and in the republic and who may commit individual acts of terrorism.

An emergency sitting of the Chechen Cabinet has been going on in Groznyy since this morning.

[Moscow Mayak Radio Network in Russian at 1300 GMT on 13 June adds: "The press service of the Chechen Interior Ministry has told ITAR-TASS that by 1200 local time the operation conducted by the forces of the Interior Ministry, the State Security Department, and the Special Purpose Detachments of the Chechen Armed Forces in the outskirts of Groznyy was completed."]

Interior Ministry Denies Civilian Casualties

LD1306140294 Moscow ITAR-TASS World Service in Russian 1152 GMT 13 Jun 94

[By ITAR-TASS correspondent]

[Text] Moscow, 13 Jun—The law enforcement agencies of the Chechen Republic this morning carried out an operation to localize and disarm the illegal gangs of bandits headed by Labazanov, Suleymanov, and Gantemirov.

The press service of Chechnya's Ministry of Internal Affairs told ITAR-TASS that the operation carried out by Interior Ministry forces, the Department of State Security and spetsnaz [special assignment] personnel of the republic's armed forces on the outskirts of Groznyy, ended at 1200 hours. According to the latest information, between 15 and 20 people were injured on both sides. The commander of a Chechen spetsnaz subunit was killed.

Suleymanov, one of the leaders of the bandit gangs, was arrested and taken to the hospital in a serious condition. The fate of Labazanov is not yet known. A search is continuing for others who fled the scene of the clash.

Chechnya's Ministry of Internal Affairs told ITAR-TASS that allegations by certain section of the media about armed clashes that are supposed to have taken place in Groznyy involving armor and civilian casualties are not true.

Bloodshed 'Internal Score Settling'

LD1306160894 Moscow ITAR-TASS in English 1507 GMT 13 Jun 94

[By ITAR-TASS correspondents Vladimir Gondusov and Mikhail Shevtsov]

[Text] Moscow June 14 TASS—Chechen officials have described today's operation to localise and disarm rebellious groups which led to bloodshed in Groznyy as "internal score settling."

Chechen law enforcement bodies stormed the buildings seized by rebels led by Labazanov and Suleymanov who organised a mutiny against Chechen President Dzhokhar Dudayev's rule. Casualties were reported on both sides.

Such an outcome had long been foreseen by Chechen leaders who repeatedly insisted on the disarmament of illegal groupings. Last Saturday, Groznyy's military commandant ordered the leaders of illegal armed groups to surrender and hand in their arms.

The National Security Department officially charged one of the most influential field commanders Ruslan Labazanov with destabilising the situation in the republic. Labazanov once served as Dudayev's adviser but later the Chechen leader distanced himself from Labazanov who is now said to be in charge of a group of several hundred people.

The rebels led by Labazanov and Suleymanov equipped with firearms and seven armoured vehicles marched to the centre of the city this past weekend and presented a list of demands to Chechen President Dzhokhar Dudayev and his government. The government unsuccessfully tried to settle the conflict through negotiations, but after long and fruitless debates rebels opened fire on the headquarters of the National Security Department and attempted to stage a rally on the central square.

By 4 a.m. presidential forces sealed off the rebels in one of the districts of the city and after a long fight involving armoured vehicles stormed four five-storey houses they occupied.

About 15 to 20 people were wounded on both sides. The government troops lost eight people, including the commander of a task-force unit, Khamzat Khankarov.

One of the rebel leaders, Suleymanov, was arrested and hospitalised in a critical condition. The fate of Labazanov remains unknown. The search for the rest is underway.

The Chechen Government is holding an emergency session to discuss the situation and ways to normalise it.

Informed sources said that the opposition of the Nadterechny and other "rebellious" districts was not involved in the incident.

Commenting on the situation in the republic, Yaragi Mamodayev, leader of the government of "Popular Trust" who was recently banished from the republic, stressed that Dudayev has no other alternative but national reconciliation.

Mamodayev calls for forming a coalition government which he is ready to head and for the soonest Russian-Chechen talks.

"We do not want confrontation or opposition between the Chechen people. We call for reconciliation and a political dialogue," he said.

Situation 'Tense' Following Clashes

LD1406100494 Moscow ITAR-TASS in English 0912 GMT 14 Jun 94

[Text] Grozny [Groznyy] June 14 ITAR-TASS—The situation remains tense in Chechnya, where several people were killed and injured on Monday in fighting between police and an armed group led by Ruslan Labazanov. The precise amount of victims from both sides has not been reported. Practically none of the political parties and movements in opposition to Dzhokhar Dudayev claimed responsibility for the clash.

The Labazanov group has been acting openly on the territory of Chechnya for nearly a year and declared in the official media its claims to be regarded as a political party.

The location of the leader of the group who managed to escape on Monday with several of his supporters has not been identified yet. The police admits the fact that he is now particularly dangerous as a source and instigator of terror.

Russia's plenipotentiary envoy Schmidt Zablayev is expected to arrive in Chechen capital on Tuesday where he will try to re-establish dialogue between Moscow and Grozny, but few people believe his mission will be effective.

Four Arrested in Attempt To Assassinate Dudayev

PM1306134594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Jun 94 p 1

[Unattributed report from the "Inform" column: "Dzhokhar Has No Enemies Any Longer"]

[Text] Four citizens of Chechnya suspected of an attempt on the life of President Dzhokhar Dudayev were arrested in Groznyy in the early hours of Thursday morning. As Sultan Geliskhanov, head of the Chechen State Security Department, informed INTERFAX, this group is suspected of preparing a series of attempted assassinations of a number of top officials of the republic.

Remote-controlled plastic explosive devices and firearms were seized from the arrestees, INTERFAX was informed at the State Security Department.

The attempted assassination of Dudayev occuurred on 27 May, when a Zhiguli packed with explosives parked by the side of the road was detonated as a convoy of vehicles, including the president, approached Groznyy. The internal affairs minister and his deputy were killed as a result. Dudayev himself was not hurt.

Ossetian Leader, Caucasus Official Discuss Situation

LD1306155594 Moscow ITAR-TASS World Service in Russian 1335 GMT 13 Jun 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 13 Jun (ITAR-TASS)—Issues relating to settling relations between North Ossetia and Ingushetia and the return of refugees to their previous residence were discussed at a meeting in Vladikavkaz today between Akhsarbek Galazov, president of North Ossetia, and Shmidt Dzoblayev, secretary general of the Assembly of Democratic Forces of the Northern Caucasus. The latter briefed Akhsarbek Galazov on his meeting in Nazran today with Ruslan Aushev, president of the Ingush republic, during which the issue of seeking a path to peace and accord in the region was discussed.

The leader of the movement proposed that a conference of the elders and religious authorities of the region on reconciliation should be held soon within the framework of stabilizing the situation in the conflict zone with the mediation of the Assembly of Democratic Forces of the Northern Caucasus. In his opinion, this would make it possible to create real prerequisites for implementing the 30th May decree of the Russian president "On Introducing a State of Emergency on Part of the Territories of the Republic of North Ossetia and the Ingush Republic."

The Assembly's secretary general also discussed with Akhsarbek Galazov the issue of relations with the Chechen republic, of involving its leader in the work of the commission to regulate Ossetia-Ingush relations and also of his plans connected with the forthcoming meeting with Dzhokhar Dudayev, leader of Chechnya.

Shmidt Dzoblayev said that Groznyy intends to examine relations between Chechnya and Russia, relating to regulating talks with its leadership and to the role of Chechnya in establishing law and order, peace, and calm in the region.

Tatarstan Supreme Soviet Session Reviewed

944F0804B Kazan IZVESTIYA TATARSTANA in Russian 10 Jun 94 p 1

[Article by Galina Grigorenko: "There Were No Surprises"]

[Text] **The 20th Special Session of the Tatarstan Supreme Soviet, which ended Wednesday, did not bring any surprises.**

This time our parliament demonstrated unprecedented efficiency—only three days were required to consider a broad range of questions and to adopt a number of very important draft laws.

This, of course, does not mean that all documents were passed with a "hurrah." As before, differences were observed in the positions of the people's representatives, although this time they spoke, in the main, not for parliamentary factions, but for themselves personally.

The most eloquent discussion revolved around two draft laws: The question in the first concerned giving the president of our republic additional powers in connection with the socioeconomic situation that has developed, and in the second—extending the law of the Tatarstan Republic "On Extraordinary Measures in the Fight Against Crime" to 1 January 1995.

As could be expected, not all of the deputies perceived with optimism the new formulation that was heard the day before in the speech of the president of the Tatarstan Republic. But he, in particular, noted that it was necessary for the government to develop a state program of economic and social progress for the Tatarstan Republic by October of this year. Some of the representatives of the deputy corps were troubled by the fact that the title of the future document makes no mention about the crisis. But the "additional powers" for leaders of the republic were at times classified as an encroachment on the age-old rights of parliamentarians. However, Chairman of the Tatarstan Republic Supreme Soviet Farid Mukhametshin gave the following explanation: Legislative guarantees of reforms are needed quickly, but the Supreme Soviet, not working on a professional basis, is not yet in a condition to react quickly to changes in the socioeconomic situation.

Debates regarding "the additional powers" were continued almost for the entire next day of the 20th Special Session of the Tatarstan Republic Supreme Soviet. Two drafts of the future law were brought to the attention of the deputies: One was from the Cabinet of Ministers, and the other—from a group of members of the Supreme Soviet. The first document stated that "before the adoption of appropriate laws that regulate budget-financial economic, social, and administrative spheres of the Tatarstan Republic, grant the president of the Tatarstan Republic the right to publish edicts on the enumerated questions." And the second—"grant the president of the Tatarstan Republic the right to publish edicts that regulate the legal relations in the social and economic spheres of the Tatarstan Republic." But here the period of validity of the law was established at up to 1 January 1995.

The views of the speakers on this question differed. Even the members of the "Sovereignty of the People" faction did not display their customary unanimity. Thus, Ildus Sultanov declared that this document in any wording will violate the principles of the constitutional system. But Zinnur Latypov, in his turn, thinks that, under the conditions that have developed, it is necessary to adopt edicts, but that it is desirable at the same time to have the active participation of expert advice. In the opinion of Yuriy Reshetov, the Treaty Between Russia and Tatarstan changed the political situation in many ways, but it is hardly likely that the Supreme Soviet in its present composition is capable of publishing appropriate laws.

After weighing all of the pros and cons, the people's deputies, nevertheless, adopted a variant with additions that was proposed by the Cabinet of Ministers.

In order to make changes to the law of the Tatarstan Republic "On Extraordinary Measures in the Fight Against Crime," whose period of validity expires within three weeks, a roll call vote was necessary. But the people's deputies first familiarized themselves with an exhibit of special means purchased for hard currency for militia employees (incidentally, the armored personnel carriers in photos in yesterday's IZVESTIYA TATARSTANA are part of this exhibit) and listened to information of Deputy Prime Minister Sergey Kirilov and Minister of Internal Affairs Iskander Galimov. It is now known from competent sources that crime has been reduced since the beginning of this year in the republic as a whole, the number of grave crimes has dropped, and the number of violent attacks, robberies, and thefts of state and personal property has fallen.... The cited figures, perhaps, are the most substantial argument in favor of extending the action of the law "On Extraordinary Measures in the Fight Against Crime." What is more, new "varieties" of crimes have appeared—"showdowns" among groups, the apartment racket, and contract murders.... The authors of 400 telegrams that were addressed to the Supreme Soviet reminded the parliamentarians of the need to extend the action of the law.

Of course, it is good when "our militia protects us," displaying a higher degree of vigilance than before. And, nevertheless, it was impossible not to lend an ear to the alternative speeches of a number of deputies who spoke convincingly about the fact that the constitutional rights of citizens have been violated more than once. For example, more than 2,500 persons were detained for 30 days, but criminal charges were brought against barely half of them. But the rest "learned" from their bitter experience with what "extraordinary measures" are fraught. In addition, the law enforcement organs will have to be content with a small "catch": Until the law "On Corruption" is passed, the big "fish" feels safe. Despite these and other costs, the majority of the deputies came to the conclusion that the law "On Extraordinary Measures in the Fight Against Crime" is still necessary; and, therefore, the term of its validity was extended to next year.

The three days of work by the parliamentarians did not present any kinds of surprises. All stayed with their interests and in their positions—both the Supreme Soviet and the government. Rumors about impending replacements in the government were not confirmed. The matter was restricted only to unimportant caustic deputy remarks aimed at the executive branch. Prime Minister Mukhamat Sabirov responded to one of these "attacks" with the repartee: "If we had a professional parliament, it would not be necessary to undertake any kind of extraordinary measures."

International Affairs

Government Ready To Form UN Peacekeeping Battalion

LD1306162194 Moscow INTERFAX in English 1502 GMT 14 Jun 94

[Text] Ukraine intends to take part in the formation of a UN peace-keeping rapid deployment force. This was reported on Monday [13 June] to INTERFAX-Ukraine by a senior official at the Ukrainian Foreign Ministry Vladimir Yelchenko.

He said Ukraine is most likely to form a battalion of specially trained paratroopers who will be required to speak foreign languages. Kiev is also ready to offer Ilyushin-76 transport planes for peace-keeping operations.

Yelchenko said that the final decision on the matter has not been made, as organizational and financial questions should be resolved first. He voiced hope that part of the spending on the formation of the Ukrainian contingent would be assumed by the United Nations.

Under the constitution the involvement of Ukrainian troops in operations overseas should be sanctioned by parliament. However, Yelchenko thinks that if the Ukrainian contingent is formed, the decision on its use will be made by the head of state after an appropriate appeal from the United Nations.

The idea of forming a UN rapid deployment force belongs to the UN Secretary General Butrus-Ghali. In a letter to him last February President Leonid Kravchuk confirmed Ukraine's readiness to take part in the formation of the force.

Kiev Protests Illegal Military Equipment Transfers

LD1306151794 Moscow ITAR-TASS in English GMT 1330 GMT 13 Jun 94

[Report by ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow 13 June TASS— Ukraine's Navy leaders protested on Monday [13 June] the illegal transfer of property from the Black Sea Fleet.

In a letter to the Black Sea Fleet commanders, Ukrainian Navy officers said that military equipment and property are being illegally transferred from the Crimean navy base and other units.

The letter recalled that the transportation of military equipment in Ukraine must be approved by the Ukrainian chief of general staff.

The authors of the letter regretted that such actions are happening at a time when the future of the Black Sea Fleet remains unclear and expressed the hope that the Black Sea Fleet commanders will ensure the enforcement of law and order in their units.

Kravchuk Leaves for Luxembourg Talks, Accord Signing

LD1406081294 Moscow ITAR-TASS in English 0746 GMT 14 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev June 14 TASS—President of Ukraine Leonid Kravchuk left for Luxembourg today. His working visit is aimed at signing an agreement on partnership and cooperation between Ukraine and European communities. [as received]

Head of the Ukrainian presidential press service Viktor Stelmakh told ITAR-TASS that during his visit President Kravchuk will meet European Commission Chairman Jacque Delors, Grand Duke of Luxembourg Jean, Prime Minister Jacques Santer, speaker of the parliament Erna Hennicot-Schoepges and Vice-Premier Jacques Poos.

Ukrainian foreign minister and his Luxembourg counterpart are also expected to sign an agreement on air service between the two states.

National Affairs

National Organization Demands Tougher Stance on Crimea

LD1306161994 Kiev UNIAR in Ukrainian 1140 GMT 13 Jun 94

[Text] Kiev, 13 Jun—The all-Ukrainian political union "State Independence of Ukraine" [DSU] has made public a statement. In order to guarantee peace and calm Ukraine, particularly in Crimea, the DSU demanded the following from the Supreme Council, the president, and Ukraine's leading power structures:

- To return the status of Ukrainian oblast to Crimea, dissolve the Supreme Council of Crimea, and abolish the institution of the Crimean president;
- To confirm that movable assets (combat ships and auxiliary vessels) and the infrastructure of the shore provision (ship repair yards, firing ranges, airports, and so on) remain the property of Ukraine;
- To demand the relocation of the Black Sea Fleet personnel, which did not take the oath of allegiance to Ukraine, beyond Ukraine's borders.

In the event that the Black Sea Fleet does not relocate its army beyond the borders of Ukraine, to consider the Russian military contingents as occupational forces, and to demand that Ukraine's Defense Ministry adopt all measures to renew Ukrainian authority in Crimea," reads the DSU statement.

Crimean Presidium Examines Issues in Talks With Ukraine

LD1406113994 Kiev UNIAN in Ukrainian 0800 GMT 14 Jun 94

[Text] Simferopol—At a session on 13 June, the presidium of the Crimean Supreme Council examined the activity of the Council's working group at the talks between the parliamentary delegations of Ukraine and the Republic of Crimea. Serhiy Nikulin, chairman of the commission on state-building, legality, and law and order, noted that they had reached a new level of mutual relations as a result of the third round of talks.

"The Ukrainian Supreme Council's full understanding of what is occurring has been observed. Ukraine has agreed to the proposal to set up an informational and legal base and admits the possibility of developing relations on a constitutional and a treaty basis," Nikulin stressed. A new group was set up for talks, and its powers were stipulated.

The issue of the activity of Ukraine's Internal Affairs Ministry in reorganizing Crimea's Internal Affairs Ministry into the main internal affairs directorate of Crimea was also discussed. The presidium's resolution notes that "the reorganization of Crimea's Internal Affairs Ministry does not facilitate the stabilization of the situation on the peninsula" and that mutual relations between Ukraine's Internal Affairs Ministry and the Republic of Crimea's Internal Affairs Ministry have become somewhat more complicated.

Financing is being carried out in accordance with a new system. Funds for maintaining the militia come from the main internal affairs directorate of Crimea under Ukraine's Internal Affairs Ministry, and not from Crimea's Internal Affairs Ministry. It was decided to inform Ukraine's Supreme Council of the impermissibility of the actions of Ukraine's Internal Affairs Ministry, and also to examine the issue of the Crimean government allocating funds for maintaining the Republic's militia.

In connection with this, Mykhaylo Bakharyev, a member of the presidium, noted that "hooligans with general's shoulder boards spit at their own Ukrainian laws. Therefore, we should state this in the form of an ultimatum and not hold talks until they fulfill our demands."

It was proposed that the old excise duties that Yuriy Meshkov had introduced be restored, in order to make it possible to remove tension from the budget, to find funds to repay the debt to Ukraine, which amounts to 761.8 billion karbovantsi, and to finance the Republic of Crimea's Internal Affairs Ministry.

Kravchuk Delivers Election Address

LD1306153394 Moscow ITAR-TASS World Service in Russian 1215 GMT 13 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 13 Jun—"Thanks to our consistent foreign policy, Ukraine has now emerged as a state on the world stage", Leonid Kravchuk declared today when he set out his election program on national radio. "As president, I have done my utmost to promote Ukraine's further integration with European structures and to strengthen economic and political relations with CIS countries, above all Russia," he stressed.

The Ukrainian head of state believes that "the signing of the tripartite agreement, which gave the Ukraine clearcut guarantees for its sovereignty, territorial integrity, and financial, economic and technical assistance, has made a great contribution to improving the international situation." The president reminded his listeners that Ukraine was one of the first to sign the Partnership for Peace, and it has become a participant in the NATO program. But according to Leonid Kravchuk, "cooperation with the CIS countries remains a priority for us, and it was in this context that Ukraine signed all the important economic agreements." The president singled out Russia as "a traditional partner with whom we have signed over 75 documents of various kinds on the development of economic and political ties".

It was reported by Leonid Kravchuk that a broad-scale agreement on cooperation, friendship, and partnership with Russia is currently being drawn up which, in his opinion, "will bring Ukrainian-Russian relations onto a qualitatively new level and will register fundamental clauses determined by our way of life, history, and the futures of the two countries." The president is reckoning on signing this document immediately after the problem of the Black Sea Fleet has been solved.

Touching on the issue of ways for Ukraine to extricate itself from the crisis, Leonid Kravchuk said that "first of all, a block of financial problems must be resolved: mutual computations, credits, the banking system." He reported to listeners that this program already exists and it has been agreed upon at all levels. The president thereby name the priorities for getting out of the crisis—foodstuffs and energy resources. "The successful solution of these issues will give an impetus to the development of other sectors," Leonid Kravchuk stressed. In his view, it is also necessary to set up a normal investment climate in the country. "The laws on investments should be stable."

In his speech the president paid considerable attention to the issue of building a sovereign state. He thinks that "at the present time, it is necessary to stop any discussion on where we are going and what kind of society we are building." The forthcoming elections themselves will testify to the fact that the people are voting for a presidential-parliamentary republic. "Therefore," Leonid Kravchuk noted, "a new constitution must be adopted immediately after the elections, the relative power structures and a strong government must be set up and the necessary powers must be given to the president, and additional elections to the Supreme Soviet need to be held."

Kravchuk on Elections, Economy, No Concessions on Crimea

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[Text] In Lvov, Leonid Kravchuk called the local council elections of 26 June an attempt by Ukraine's Supreme council to put into practice a federative territorial state system Lvov: On 12 June Leonid Kravchuk, president of Ukraine, visited the town, where he had a number of meetings. In particular, he took part in a conference of chairmen of rayon, oblast, and local councils, and between entrepreneurs and businessmen. In his speech Leonid Kravchuk called the local council elections of 26 June an attempt by Ukraine's Supreme Council to put into practice a federative form of territorial state system without having elaborated the necessary legislative base, which could lead to an ungoverned society.

Together with Valeriy Shmarov, Ukraine's vice-prime minister, and Yevhen Sukhin, president of the "Ukranaftohaz" [Ukrainian oil and gas] joint-stock holding company, the president of Ukraine also attended the unveiling of a monument to Mykhaylo Hrushevskyy, first president of Ukraine. Later Leonid Kravchuk took part in the traditional Zankivchanski evenings at Lvov's Mariya Zankovetska state academic theater, where he held an improvised press conference. Leonid Kravchuk expressed himself in favor of a presidential-parliamentary republic and in favor of the election of executive, but not representative power. Leonid Kravchuk also noted that, notwithstanding world experience, he would not be influencing the general state process until his probable election.

The president noted that in the last few years there had been changes for the better in Ukraine's economy: In the metallurgical industry more had been done in four years than had been done in the 15 years up to 1990, the reconstruction of the oil industry is under way, Ukraine is developing its medical industry, and so on.

Describing relations with Russia, he observed that the accusation of Ukraine in isolation from Russia are groundless, because in the time since the independence of both states approximately 70 agreements and documents have been signed, including economic ones too. Namely, Ukraine was the initiator of free trade with Russia.

Replying to a question from a UNIAN correspondent about whether Ukraine would agree to concessions to Crimea, Leonid Kravchuk observed that there would not be a single concession regarding Ukraine's territorial integrity and that Crimea would remain a constituent part of Ukraine.

Kravchuk on Foreign Policy, Election Program

LD1306230094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 13 Jun 94

[Interview with Ukrainian President Leonid Kravchuk by correspondent Anatoliy Tabachenko on 13 June, place not given —recorded]

[Text] [Tabachenko] Leonid Makarovych, you are the incumbent president, the head of state. What is your view of the state of Ukraine's home and foreign affairs?

[Kravchuk] To be brief, we are, indeed, going through a very difficult time, and it is clear why. All nations making a transition from one system to another have gone through a similarly difficult time. That is why it is wrong to see only the negative, there is also a positive factor here. But, since life is very complicated, and with the rise of inflation, the fall of production, and various social problems involved, people sometimes fail to see the positive part of our life, while the negative factor is often used by different political forces. One must understand that it can be no other way, because in a democracy, where there is an opposition and a power struggle, all this is taken advantage of in a certain sense. What ways do we see out of this situation? First of all, we are taking very specific steps to create a proper industrial structure to live up to Ukraine's interests.

Second, we are solving problems concerning fuel supplies. Despite all the difficulties, we have been able, in the recent years, including the last one, to create conditions for sowing the harvest. The national economy continued to function in winter, and people were provided with heating and all necessities. Of course, all these factors, both positive and negative ones, unfortunately, negative ones to a greater extent, make an impact on people's feelings, socially and politically.

Political stability, too, has its roots in the economy, although there are other factors involved. We can see our miscalculations. Already, after two and a half years of my presidency, I can see how many mistakes could have been avoided, but, unfortunately, what has happened has happened, and we can only use these lessons to avoid similar mistakes in future. The one who wins this post can also use the mistakes we made to avoid repeating them in future.

Since Ukraine gained its independence, our foreign policy has been aimed at protecting Ukraine's interests by diplomatic means. The main effort was made to promote Ukraine's further integration with European structures, to strengthen economic and political relations, and to develop such relations with the CIS countries and with our neighbors, above all, Russia. Thanks to our consistent foreign policy, Ukraine has taken its place among world powers and is now occupying an important position on the international stage. The trilateral statement signed on 14 January in Moscow made a great contribution to improving the international atmosphere around Ukraine. This has given us clear guarantees for the recognition of our sovereignty and territorial integrity and the granting of financial, economic, and technical assistance. This statement secured a world image for our state. Ukraine, as you know, was the first to sign Partnership for Peace and become part of this NATO program. On Tuesday, 14 June, I am going to Luxembourg where I will sign a document on Ukraine's accession to the European Union on the principles of partnership and cooperation.

Naturally, Ukraine as a European state will always lean toward close ties with Europe. But we take a realistic view of the situation, and we cannot follow one track only. Our greatest priority is cooperation within the CIS. Ukraine is part of the economic union. It has signed all the important economic agreements of the CIS. Within the CIS, we have a traditional, friendly partner, Russia, with whom we have signed over 75 documents, and agreements of various kinds regulating our economic, political, and other ties. A broad-scale agreement on cooperation, friendship, and partnership with Russia is currently being drawn up that will place our relations on a qualitatively new level and register fundamental principles of our relations predetermined by our way of life, our history, and our future. It is a very important document, and I hope we can sign it immediately as soon as we solve another urgent problem in Ukrainian-Russian relations, that of the Black Sea Fleet.

[Tabachenko] Leonid Makarovych, what ways do you see out of the difficult economic situation in the light of your election program?

[Kravchuk] These ways are outlined in the election program, but let me focus our attention on them again. These problems are already being tackled today. First of all, this concerns the entire block of financial problems: Mutual payments, credits, and banking. They are the most painful and urgent ones today, and we not only declare them a priority, but we have agreed a concrete program and concrete ways of improving the situation with the Cabinet of Ministers and the management of the National Bank.

The second problem concerns the priorities that must be clearly singled out. I always put forward two priorities that I believe to be basic: Foodstuffs and energy. Any other problem can be solved in the course of time, but these two cannot wait. This is something a person needs every day. These two core priorities must be basic to all of our activities. The successful solution of these issues, that is the development of agriculture and power engineering with related industries, will give an impetus to the development of other sectors, because these are huge industries with a demand for a variety of other products, and will provide for the people's vital needs.

Another priority is the reduction of costs in all spheres of the national economy. This problem has never been seriously dealt with. Another concerns the creation of a proper investment climate both for domestic and foreign partners who are very sensitive toward any changes in our legislation and activities. Incidentally, Ukraine's (?constitutional) climate was extremely badly damaged by the cabinet's decrees amending two important laws passed by the Supreme Council. I attend dozens of meetings now that reveal a lack of confidence in ourselves. If we continue to change our laws as frequently, we will never be trusted.

Next are the banking, budgetary, monetary and taxation systems. Taxation must stimulate development. We have certain projects in this area that we are sending to the oblasts to develop them further and submit to the Supreme Council. It is clear that we will not be able to avoid a monetary reform. There is one basic principle: It cannot be implemented in a confiscatory manner. People must know that it will be implemented on the basis of social justice, openly, and without any secrets.

Next is social security. People who are today in need of support, pensioners, people with many children, and not all pensioners, but only a certain group, require both financial and direct aid, by means of special shops and special opportunities. Now, as we prepare to mark the 50th anniversary of Ukraine's liberation and the victory in the Great Patriotic War, provisions should be made and relevant directives passed on to the local authorities to make it work for the individual. The next aspect includes economic problems: Privatization and demonopolization. These must be pursued openly, under supervision. It implies problems, and there are ways of solving them.

[Tabachenko] Leonid Makarovych, how do you see further development of nation-building in Ukraine?

[Kravchuk] Nation-building currently boils down to the Constitution. The state must ensure the development of the individual, their rights and freedoms. The overriding principle must not be that of the individual for the state but that of the state for the individual. All this time, the state has been the best protected one. Now, we must protect the individual. But without a Constitution, without legal acts, this is impossible. Therefore, first of all, a Constitution must be adopted, together with elections that are already underway, and there is no denying that elections must be held. But the Supreme Council must pass laws before the elections to guarantee normal development of society, subordination, division of powers, and all related functions. Then it is necessary to stop all discussions as to what we are building and where we are going. I believe that we must be clear about what system and what form of government we should have. If the elections take place, and I am sure they will, and a president is elected, this will mean that the people will have voted for a presidential, parliamentary republic. This must put an end to all discussions, a Constitution must be adopted, relevant structures and authorities must be set up, a strong government, a strong president, and an authoritative Supreme Council must be formed, and we will proceed from there.

[Tabachenko] Another question, Leonid Makarovych. What can you say of the successes and problems in the spiritual sphere of our life. Because there are many complaints that it, too, is in decline.

[Kravchuk] You see, in such a period as this one, there is either a renaissance or a decline. Sometimes, economic decline may be greater, but revolutionary pathos may inspire a renaissance in the arts. Our development is evolutionary. This evolution may not be seen on the surface, which prompts some to say that there is some kind of a spiritual decline. I would not say so. No creative union has been closed down. All publishing houses are working, books are being published, newspapers are in circulation, television and radio is working, textbooks are being written. Yes, it is difficult, but it is there. Scientists are working, discoveries are being made. There have been a lot more discoveries and practical applications recently than before. We should not dramatize the situation, but look at it comprehensively. Yes, culture needs financial support. That is the way of the world. I believe that the next quarterly budget that will be submitted to the Supreme Council, and I have instructed the government to this effect, will again show support for the arts.

There are presidential decrees in support of science, culture, and publishing, but it is not enough. We must make clear budgetary provisions for such support. Using this opportunity, I would like to wish all radio listeners and all voters good spirits and good health. I hope they will all come to the polls, not only in the presidential but also in the local elections, and vote for those people who can ensure Ukraine's peaceful, democratic, and legal development, economic reforms and improvement in the people's living standards.

Plyushch on Presidential Race, International Relations

WS1406130794 Kiev VYBIR in English 2025 GMT 13 Jun 94

[Interview with Ivan Plyushch, former speaker of the Ukrainian Supreme Soviet and current presidential candidate; place and date not given—from the "Current Interview" feature]

[Text] [VYBIR] What powers must the Ukrainian president possess to efficiently run the country?

[Plyushch] If I become the president, I am not going to request any powers in addition to those specified by the Constitution.

[VYBIR] What about the proposals of left-wing factions in the parliament to provide the president only with representative functions?

[Plyushch] They propose this since our president was not able to efficiently use the powers delegated to him. Therefore, left-wingers want the parliament to possess such functions. However, to do this the Constitution should be amended which requires at least 300 votes. The left factions do not have such number of backers. They would have never gotten even 170 votes to elect the Speaker if they had not been supported by the president.

[VYBIR] Whom would you appoint to the key posts in the government?

[Plyushch] Too early to speak about that. Too early. The other day, I was going to go to Donetsk and came to the airport 20 minutes before the flight but they did not permit me to enter the plane. They said I was 10 minutes late. Too early to speak about the government now.

[VYBIR] What is your attitude to the new speaker?

[Plyushch] He is an experienced politician. Mr. Moroz is supposed to do what he says. The speaker should have no party affiliation. Still, sometimes I do not understand Mr. Moroz. Look, he says that political council of the Socialist Party suspended his membership in the party, then he says that it was his party that nominated him as a presidential nominee, that communists supported him...

[VYBIR] What do you think of the president's proposals concerning the ruling posts in government?

[Plyushch] I haven't seen the list but I believe that a new premier will again become a scapegoat.

[VYBIR] What is your attitude to the memorandum, signed by communist parties of ex-Soviet republics, including Ukraine, concerning restoration of the USSR?

[Plyushch] My attitude is absolutely negative. Such activity of the communist party is illegal.

[VYBIR] Which international blocs are the most attractive for Ukraine. Where are Ukraine's interests—in the West or East?

[Plyushch] We should enter the blocs which admit us. East or West does not matter much. We have state-of-the-art technologies but no investments to introduce them. We should try to reestablish the common market of ex-Soviet republics. Ukraine lost its market, sold it for nothing, for bribes. We gave it to false friends trying to get rich using our difficulties.

[VYBIR] Who is your chief rival in presidential marathon?

[Plyushch] The one who is governed by common sense.

[VYBIR] If you become the president, will you keep trying to create the Baltic-Black Sea zone? What is your attitude to the so- called Visegrad triangle?

[Plyushch] I will insist on the worldwide summit to solve the global problem facing all countries today. "Cold war" is over. Bipolar world exists no more. Each country has a great responsibility to the world community. Such summit must be similar to that held after WWII.

Ukraine should initiate this process. The world community, not some countries, must be peace-maker today. Look, now Russia wants to be the peace-maker in the "near abroad" and the United Nations to play this role elsewhere. I am against any division of the spheres of influence. There are some questions as well—today the Warsaw Pact does not exist, but what about NATO?

[VYBIR] Thank you.

Former Premier Kuchma Interviewed on Upcoming Elections

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[Editorial Report] Moscow NTV in Russian at 1700 GMT on 12 June broadcasts a three-minute report by correspondent Aleksandr Skachenko on the upcoming elections, including an interview with Leonid Kuchma, former Ukrainian prime minister.

Skachenko begins his report by saying that the main battle is being waged in the press, where the current president, Leonid Kravchuk, is leading. Polls have revealed that there are three main contenders to the post—Leonid Kravchuk, Leonid Kuchma, and Aleksandr Moroz, leader of the Socialist Party and parliamentary speaker.

Skachenko asks Kuchma the following question: Support given to you by western and eastern regions is totally different. Are you not afraid that your election to the post of the president will only increase confrontation between western and eastern regions of the country?

Kuchma replies: "I do not want to think about it because I think that in any situation, especially in a situation as crucial as this, we need to look for things to unite us. The economy and, naturally, the construction of a sovereign, independent, and democratic state ought to become our uniting factors. I am deeply convinced that only then will Ukraine be able to hope that life will be better, as they say, tomorrow. The economy will put everything in its place and this confrontation will exist no more."

Skachenko then says that Leonid Kuchma became head of the coalition government in October 1992 as a result of yet another political crisis. His team tried to implement market reforms and unsuccessfully fought against corruption Market reforms died down by the spring of 1992 because of constant disagreements between the government and parliament. Opponents accused Kuchma of being too fond of Russia, of lacking strong will power and a united team. Kuchma resigned in the autumn of 1993 but did not lose his popularity. He is especially popular with the Russian-speaking population in southern and eastern parts of Ukraine.

Asked about the possibility of Ukraine joining a new union with Russia, Kuchma says: "I do not know. But you know I am not used to being a slave. I am used to being a master and I want to be a master in my country, without anyone above me. I am really not used to it."

Presidential Candidate Explains Platform

AU1006164094 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 7 Jun 94 p 3

[Interview with Ukraine's people's deputy and presidential candidate Valeriy Heorhiyovych Babych by unidentified correspondents of the newspapers DEMOKRATYCHNA UKRAYINA, HOLOS UKRAYINY, URYADOVYY KURYER, KIYEVSKIYE VEDOMOSTI, PRAVDA UKRAYINY, UKRAYINA MOLODA, NEZAVISIMOST, the Russian "Economic News Agency," and other mass media recorded by Yuriy Kornyev and Oleksandr Yaholnyk; place and date not given: "I Was Honest in Business, I Will Be Honest in Politics"]

[Text] [Correspondent] The newspaper NOVOSTI carried Leonid Kuchma's commentary on your participation in presidential elections in which he alleges that you are a "man of straw." What can you say in this connection?

[Babych] When I registered myself as a candidate for Ukraine's Supreme Council deputy, there were 17 persons altogether, who were put to the vote. I swore that I would not say a single bad word about any one of them and will not characterize their actions or conclusions.

I have now made the same promise to God: I will not say a single bad word about a single presidential candidate. I believe that our people are sufficiently intelligent and wise. Thus, both rank-and-file people and professionals will sort out various approaches and truths. I do not want to impose my opinion upon anybody instead of giving a direct answer. As regards the question that was answered by Mr. Kuchma, I can say this: I never was a prostitute in business and I will never be a prostitute in politics. I believe that this characterizes my actions in business in full. Those people who worked with me know: I never betrayed anybody and never changed my views. I went into politics for one simple and clear reason: I am sick and tired of pleading and persuading others—"Rescue the economy." I have realized: Unless we ourselves assume control over the state and create a legislative foundation at the highest level, we will have to wait a long time for alms, but there will be no economic stabilization. Today, I have emerged from the "trenches," and I am ready to place my experience, knowledge, and views of life at the scaffold of politics in order to achieve a considerable improvement of the situation in the economy.

[Correspondent] Have you resigned as president of the investment company "The Ukrainian Financial Group" [UFG] in connection with your election as a Supreme Council deputy?

[Babych] Yes, on 13 May I signed a document on giving up my powers in connection with becoming a Supreme Council deputy and my nomination as a Ukrainian presidential candidate. My functions have been passed on to the acting president. I can only be relieved of my duties by the meeting of shareholders. The meeting was appointed for July-August. I would like to say goodbye to the shareholders and thank them for the confidence that they gave me for three years. I have already practically abandoned all these affairs.

It is physically impossible to combine the election campaign with running the UFG financial matters. That is why I have adopted this path. I have become fully immersed in politics. I am firmly convinced and will prove to others that today's politician must be an economist, financier, and market-oriented businessman, who has one goal: To enrich the state and the people. I believe that this is our time—the time of the people who know how to do something real for the people.

[Correspondent] Who is financing your election campaign? And how?

[Babych] Within the framework of the Law on Elections. Quite a number of friends offer me funds and assist with technical means. As they say, I have not prostituted myself to any structure—it is not in my nature. I went to elections with what I personally have and with the support of my friends. This question is emphasized because some people are lying in wait for me to take the first thousand dollars [as a bribe] in order to immediately trumpet it to the whole world and compromise me.

[Correspondent] The week of the parliament's work gives rise to sad reflections. If you become president, is it possible to work with such a parliament and implement what you have planned?

[Babych] You are not right. One should not be afraid of reaching compromise and must develop skills in finding a common language with different people. We must totally abandon methods of "coming to power" and for the sake of power, which ruthlessly suppresses particular groups of differently minded people. We must understand a simple thing: When people come to power and not to managing the state, the system will compel them to look up Communists, Rukh [Ukraine's People's Movement for Perestroyka] members, Greens or whites. I am convinced: This approach of the exclusive nature of one's own ideas and their exclusive correctness is pernicious for any nation or state. The programs of various parties or movements do not differ much. Their goal is the achievement of Ukraine's well-being. The question lies in something else: How to do that? Today, there are already people in Ukraine who know how to do that.

[Correspondent] Can Pynzenyk or Pylypchuk [economists and political figures] head the Supreme Council Economic Commission for Economic Reform?

[Babych] Reformers may head commissions. However, executive structures must be manned with professionals who know what to do and not by dilettantes who come with advice and collect advice on what needs to be done. For a long time, I worked in Derzhplan [State Planning Committee] and at the Council of Ministers and saw with my own eyes how much harm to the economy dilettantes may cause by their activity. I witnessed how two deputy chiefs, guided by purely ambitious motivations, refused to sign a joint document, even though, as a result, Ukraine lost hundreds of millions of dollars in old prices.

It is already clear to many people that a team must assume executive control. Whether good or bad—a team. A creative team and not a team of those who will pocket wealth. That is why I am in favor of a stringent system of a team assuming control.

Regarding a legislative basis, I am quite comfortable in my attitude toward the assembly of people of different nationalities and political parties that have gathered at the Supreme Council. Yes, discussions must be held there, various issues must be disputed and resolved, and they must be implemented by a team. The main question, which was not answered by the preceding parliament and which must be resolved by the parliament of the present convocation, is what we are going to build. Inflation has driven the economy into such a situation that a question naturally arises: What methods will we employ in the management of the economy—administrative state, that is to say socialist, or market-oriented ones? This question is presently the principal one. Unless we answer it, all our subsequent efforts will be in vain. The present mechanism is only advantageous for department bureaucrats. They successfully use what suits them best. For example, they get money through the state system and pay for communal and other services through the same system, but when it comes to dividing the capital earned by the enterprise, they suddenly recall that a market mechanism exists and that something must go to their own pockets. Therefore, either the administrative state system—then it is necessary to introduce regulation, standard freezing of prices, subsidies, and so on—nothing so terrible, in principle. Or, as I prefer, a different platform: I believe that, today, we should not return to what, as we have seen from our own experience, leads to an inefficient economy. We must proceed to a market economy. We must proceed, in our deeds, from the interests of the individual and his family.

[Correspondent] There recently was a session of the presidium of the All-Ukrainian Association of Enterprises. What plans were adopted there? Did the Ukrainian entrepreneurs reach an agreement?

[Babych] The All-Ukrainian Association of Enterprises practically unites all unions, with the exception of three—the unions of cooperators, joint ventures, and small enterprises. It took us a long time to think about the expedience of holding the congress, because everybody is sick and tired of political battles and reasoning, such as "let us protect ourselves more." However, the majority of the members of the presidium agreed that it was, after all, worth getting together in order to feel the atmosphere of approaches and views prevailing in the nonstate sector. At present, the executive management elaborates the organizational aspect of the matter. It will complete its work in the near future, and we will announce the date for holding the congress. Everything will proceed in a businesslike atmosphere. We will exchange ideas on a number of problems, especially those that presently give rise to differences, for example, about the contractual form of ownership: Is it worth supporting it further or is it temporary? Small enterprises require serious analysis. We will also discuss specific commercial and finance proposals on international cooperation and will familiarize the delegates to the congress with proposals on credit lines that are presently being elaborated.

[Correspondent] When [Mayor of St. Petersburg] Anatoliy Sobchak was a people's deputy of the USSR, he published a very interesting book with a quite symbolic title: "The Coming to Power." It may be firmly stated: You, Valeriy Heorhiyovych, are already in power. How do you understand power as a Ukrainian presidential candidate?

[Babych] I understand the concept of power as such that needs to be taken away from the president and the Cabinet of Ministers. Power should not continue just to come. If [koly] I become president, I will try to see to it that more powers are transferred to lower structures, where they must exist in order to protect the interests of the people and of the individual.

Today, leaders of farms, departments, and even ministers come to power and not to the management of an industry or of the country. Therefore, we must put an end to this "Coming to Power." The U.S. president does not come to power, but to the management of the state. In our country, superpower is concentrated in the hands of subjective individuals, who cannot always guarantee objective resolution of particular issues. No matter how hard they try, this will be a subjective approach. On the other hand, if a person comes to MANAGEMENT, the range of his influence upon resolving state and economic problems is narrowed, and he can influence and interfere in the national economic and, even more, in the state system by about 10-15 percent. There are restrictions that must be urgently applied to superpower.

[Correspondent] There is presently much talk on strong executive power. What is your interpretation of this issue?

[Babych] I believe that in working on a decision, it is always necessary to consult others and not just once. At the same time, a single person must manage the country's economy. Just imagine: Three plant directors have been appointed at one go. Will there be an effect? In this case, everybody realizes that there will be no result. However, why are we applying such a model to the whole state and hoping to achieve positive results? There will be none! There must be one tough team that will work for one goal—tough, but not in terms of methods, but in subordination and mutual subordination. It must be headed by a single commander who bears the entire responsibility for the team and who is ready to be answerable before the people for everything.

[Correspondent] What is your attitude toward the fact that the former leadership set the minimal fixed capital required for registering small enterprises at 37 million karbovantsi [K], having thereby placed a barrier to their joining the business sphere? Will not this affect the activity of big business, which you represent?

[Babych] Small businesses must exist. This is why: They create a potential medium for, let us put it this way, the emergence of promising businessmen and entrepreneurs. In other words, it is a desirable medium, which must discover the talents and abilities of a certain circle of people who want to dedicate themselves to business, which is, incidentally, very difficult and not for everyone. Every person must decide for himself what he wants to be—master, performer, owner, co-owner, or a simple state official. The state does not stimulate small businesses. The state does not stimulate anything. The fiscal system of taxes that is presently in use has practically led production and the sphere of services, not to mention small businesses, to an impasse.

My position and my program in this respect are clear: The first thing that needs to be done today is to fully stimulate the production activity of any person who wants to work, whether in the state or nonstate sector. We are obliged to welcome those people and those persons who want to work and create good conditions for them.

First of all, there must be a sensible taxation policy, including in the sphere of external economic activity. The Ministry of Finance, which continues to degrade, must finally realize that contributions to the budget must come from the circulating capital that circulates in commerce and in production. Turnover alone must contribute to the budget. At the same time, it is desirable to lower taxes imposed upon the population and upon production, and the state must stimulate what it needs. At present, in our country, when the question of Ukraine's survival is at stake, I would say, the policy of the stumbling-block approach prevails.

Some people say: Russia has much oil—let us also urgently look for oil in our country. Let us look for diamonds and gold. This must be immediately stopped, and we must abandon the principle of raw-material development. Today, the only salvation for the country's survival and for ensuring economic stability is in the technological breakthrough. The state must give urgent support to science, to the implementation of technologies, and to the efficient utilization of production capacities. I was, for example, surprised when I read that Leonid Makarovych [Kravchuk] agreed to introduce preferential taxation for builders. Those who are again going to put something down the drain, have again obtained preferential terms for taxation. This is not right. It is only science, technology, and the creation of scientific hi-tech production complexes, where science works for achieving the end result—the output of absolutely essential technology, equipment, machinery, and consumer goods—which have the right to preferential terms. Then we will emerge at the appropriate level. Otherwise, we will always remain an appendage to anyone—Poland or Hungary. It is ridiculous: Hungary is presently supplying us with meat and so on. The tax constriction and the credits and finance system stifle the producer both in the state and nonstate sectors. Unless serious measures in the opposite direction are taken, the noose will choke the commodity producer and we end up with food rationing....

[Correspondent] How do you assess the course of market reforms in Ukraine?

[Babych] We have found ourselves on the verge of ruining market reforms. The world community is watching us very attentively. Those people who sit in their offices do not, perhaps, imagine the lightning speed with which Western investment, banking, financial, and governmental circles respond to the events in Ukraine. After Mr. Moroz was elected chairman of the Supreme Council, foreign investments through the Ukrainian Financial Groups were immediately suspended. There was one question: Please give a distinct definition: Is he a Socialist or a Communist? Restoration of planned economy? Following the election of the two deputy Supreme Council chairmen, the reaction was similar. Therefore, those people who sit in governmental offices and in the parliament do not even realize that the adoption of any decision must conform to the interests of the state and world community. We have become too important and independent people. We have failed to realize one thing: There is no such thing as pure independence in this world. Everything is integrated, whether we want it or not, into mutual economic and financial relations. This must be distinctly understood by our young parliament, which is yet to learn the experience of statehood, since the first period in its work resembled the approach usually exhibited by teams on the block: Let us create teams on our block and start pulling the rope in order to determine which team is stronger. I believe, however, that in two or three months, people will realize that they did not come to the parliament in order to stand up for the interests of regions, departments, or factions, but for resolving nationwide problems. I hope that by the end of the year, if the people do not disband us by that time, real state work will start, and every faction and every deputy will realize that he is responsible for the state, and not for a party or industry; that he is responsible for the 52 million people living on this territory.

[Correspondent] An idea is being considered of how to stabilize credits—to grant them in a different form, via authorized banks.

[Babych] Still, I consider the problem of elaborating a distinct and efficient mechanism for repaying credits to be a major one. Why do many of our structures not receive credits abroad? Because there is no mechanism for their repayment.

Behind all of this, one can see maneuvers of the Cabinet of Ministers, which is trying to create a semblance of activity. There are borderlines for any Cabinet of Ministers and for any person, and they are incapable of overstepping them. I call it a barrier or a limit to human possibilities. In most cases, people themselves put them. In my life, I repeatedly broke that barrier. One needs to have vigor to overstep it. Our government is made up of generally good and normal people, but they have a limit to the possibilities of elaborating a decision. They must do one of two things: Either take one step forward and say that we must proceed along the road of the market and implement specific reforms or honestly give way to others, who are not afraid to do this very difficult job. It takes courage to make such a step. This applies to the parliament, president, and Cabinet of Ministers. Unless this is done, there will be an impasse zone, a dead zone. However, there is a hope that people capable of overstepping that borderline will come and they will know what is the main thing and what to do next.

[Correspondent] As a candidate for Ukrainian president, are you in favor of Ukraine's territorial integrity or do you admit some variants? Do you see ways for resolving the Crimean problems?

[Babych] My approach to this problem is unambiguous. Once, when Ukraine was disassociating itself from the USSR, we welcomed that event. We also believed that we were doing the right thing when the community of the people populating Ukraine voted for life in a separate state. They believed that it was correct. I believe that the process of the disintegration of Russia and possibly also of Ukraine has not been halted.

With regard to the Crimea, I have the following approaches. I will say openly: I personally and a group of my specialists made proposals well in advance, proposals which anticipated the present development of events in the Crimea and we offered recommendations for what had to be done for the Crimea not to raise the question of seceding from Ukraine. In all cases, I put the economic factor above all. Politics is a greater economy and not the other way around. We are constantly being misled. Those old times when states were divided by wars, cudgels, and so on have passed. At present, states, markets, and territories are divided at the expense of economic decisions. Therefore, the Crimean problem should have been resolved earlier, one and a half or two years ago, through giving the Crimea economic incentives and tying it to Ukraine, so that it would have simply been disadvantageous for it to secede. This was not done. There were hopes that the new constitution and possible use of force would restrain the people, who might suddenly want to leave Ukraine. Consequently, if the majority of the population votes for the Crimea's secession from Ukraine, then, I am afraid, there may arise a situation in which the constitution and the will of the people residing in the Crimea will not conform to the mutual interests of not only Ukraine, but also of the world community. We will be confronted with the problem of the emergence of a new state on the territory of Europe. I would also like to stress: There is no need to stir up passions around this question. It is necessary to try and convince the Crimea, just like any partner or friend, that it would be economically unprofitable for it to sever ties with us, and to promote a transformation of mutual economic relations. Even now, it is still not too late to create such conditions of mutual understanding precisely on the economic platform, so that it would be worthwhile for the Crimea to remain within Ukraine and work together. In my opinion, any other approach will be fraught with negative phenomena to the point of a civil war.

My position with regard to territorial integrity is straightforward: Ukraine is indivisible. However, I repeat: When the people have voiced their will, one needs to proceed from the position of what the people want. When 90 percent of Ukraine's population voted for the secession from Russia, should there have been a war with Russia? If Russia failed to keep us within the Union economically and to prove the expediency of such union, then let us also treat other peoples' will in the same way. We must learn to convince people and not to break them.

[Correspondent] How serious is the outflow of capital from Ukraine to the Crimea?

[Babych] Such a problem exists. During one of the meetings with head of the government Mr. Zvyahilskyy, I also asked: What measures have been taken in response to [Crimean President] Meshkov's economic edicts? I understood that the government, the Ministry of Finance, and the National Bank did not react to Meshkov's step in any way. Meshkov has a rather good team of professionals who have found an ideal method of knocking out from under Ukraine its economic and financial footstool, not even stool, but precisely the footstool, the last footstool being taken away from it. A thoroughly considered economic blow below the belt. A huge amount of capital flows away from Ukraine. It is time for our major leaders to realize that they must react in time to these or other actions. I can say that Meshkov has made a brilliant move, which is advantageous for him, but if we don't make a reciprocal move, no monetary mass at all will remain in Ukraine. What then? To take submachine guns and go and get what money is available? Such a development of events can be predicted, but I do not think that the National Bank has sufficient combat capabilities. Other methods and approaches are necessary here.

[Correspondent] How do you see Ukraine's National Bank [NBU]? Is is worth placing the NBU at the mercy of the parliament?

[Babych] I do not share the opinion of those who believe that the National Bank must be thrown to the mercy of the parliament or Cabinet of Ministers. The National Bank must be at the head of the state's financial system. It must receive a distinct set of regulations on mutual relations, in other words, a financial policy, from the legislative body—the Supreme Council. All other problems must be resolved by it independently. It must have a priority in the economy—a stabilization of the national currency. Everything else constitutes levers of the mechanism for implementing reforms in the economy. Therefore, any economic reform which intensifies the inflation process has no right to exist. We must consciously agree to a certain inflation process, but a specific one, through the National Bank. Enormous masses of coupons and capital have been frozen, but the people wait. Circulating capital is simply insufficient. It is consequently immediately necessary to stop financing those industries whose output is not in demand and goes to warehouses, and to help such enterprises to appraise the situation. Here, the main thing for the state is to stabilize its national currency.

[Correspondent] President of the Russian "Economic News Agency" Sergey Turanov telephoned the Press Center and said that they learned with interest that a Ukrainian entrepreneur, well-known in Russia, has become a candidate for the Ukrainian presidency. On behalf of the agency, Sergey Turanov asked us to put the following question: "How do you see the future of mutual economic relations between Ukraine and Russia, especially today?"

[Babych] Much has already been said about this. I very seldom change fundamental approaches, especially when I am convinced of their correctness. In 1991, prior to signing the state agreement between Russia and Ukraine, we signed, at our own initiative, an agreement between the entrepreneur circles of the two countries. There is also my signature under that document. At that time, I had to hear everything from our National Guard—that I was selling Ukraine and so on. I never sold anything. I am not selling anything now. Even to global and nonglobal problems, my approach is only from the economic point of view. Any restriction of economic possibilities and slow circulation of capital are economically harmful. I am in favor of integrating maximum possible conditions for production, circulation of capital, finance, and so on. I can answer the question in the following way: I am against creating closed economic circles. There must be specialization and the division of labor on an international scale. All possible and impossible industries should not be concentrated on a single territory.

[Correspondent] If you become president, how do you see the struggle against the mafia and corruption?

[Babych] I will say clearly: It is necessary to combat this evil. However, we should not forget this: When we blame the Ministry of Internal Affairs and other bodies which must struggle against this phenomenon, we must remember that under the uniform and under the shoulder boards there is a human being who has a family and who needs a normal salary so that he will not look for additional sources of income. We must approach all these processes from the point of view of the economy. It is necessary for all our structures to have, in their everyday activity, the interests of the people at the foreground. It is only with methods of the economy that we can fight the corrupt mafia.

[Correspondent] It is known that an edict on currency regulation is sitting on the president's desk. The Supreme Council has also prepared such a law. What is your point of view?

[Babych] Currency regulation is what must be done. However, it is not a panacea for rescuing the economy. I think that practically nothing will change over the next two or three weeks. I read that project. It is ineffective and will not introduce any cardinal changes into currency regulation. I believe that, unless a new premier is elected within the next two or three weeks, a premier who would have freedom of action, nothing will change. All the more so since all the rayon and oblast leaderships have now practically given up management of the economy, are only interested in their own election affairs, and are occupied with elections of deputies, mayors, and governors. Therefore, a month of anarchy is guaranteed for Ukraine. However, I hope that this anarchy will end on 26 June.

[Correspondent] If, in the stage of the presidential election campaign, President Kravchuk introduces the hryvnya, how will this affect Ukraine's economy?

[Babych] I consider introduction of the hryvnya, without three main preconditions, to be a political adventure, irrespective of who initiates this action—the president, parliament, or some other persons. This would be yet another case of deception of the people. I have become convinced: In our country the state is the worst thief—it robs the population particularly badly. I can prove this on any examples—not once did the state turn out the pockets of the population.

Introduction of the hryvnya is only possible on three conditions. First, the creation of a stabilization fund and the unconditional arrest of the hyperinflation. Second, indexation of the funds held by the population, so that the people would be encouraged not to spend and not to get rid of the coupons mass. Third, a change in the financial and credit and taxation policy.

It is only under such conditions that we will be able to resolve the question of introducing the hryvnya. I have long been insisting on introducing the hryvnya, because the hryvnya will resolve many problems. If we do this, we will eliminate the so-called panic buying. Today, nobody—not a single person—wants to keep coupons. If we stop this process we will see how the market will become saturated, not like today, when some leaders boast that a stabilization in the economy has occurred as well as a stabilization of the market, although it is a different matter: Meat stays on the shelves not because the market is saturated, but because the people have no money to buy it. I reiterate that introduction of the hryvnya without ensuring these conditions is a political adventure.

[Correspondent] How do you see the future of atomic power engineering in Ukraine?

[Babych] I am not a professional for making far-reaching forecasts. However, I am sure that we will not abandon atomic power engineering, even though the shadow of Chernobyl is hanging above us. I was a member of the Governmental Commission for Eliminating the Consequences of the Chernobyl Catastrophe. Let us hope, with God's help, that this will never happen again. I will be able to give a more detailed answer to this question after I study additional information on the problems of power engineering.

[Correspondent] What is your attitude toward privatization in Ukraine?

[Babych] It is negative toward that privatization, which is presently under way. We have not prepared economic or financial mechanisms for implementing privatization. At present, the state structures responsible for privatization have grown so corrupt that commercial structures, in their development, did not even dream of anything like that. Enterprises are handed over to unworthy persons. You know where the problem here lies? To distribute "bricks" among everybody is not a problem. It is more difficult to make those "bricks" provide profits. This is a very big problem. When we say that privatization is a gift for the people, we are once again deceiving the people.

I am in favor of the joint-stock form of ownership. This form is more open and more accessible. It does not tie up every one of its owners to some "property." If a person obtains his part in the form of shares, he can sell them, exchange, or deposit. With our privatization we have again tied up the people to the "brick," and have not made them owners of anything real. For example, in Great Britain, over two years, 5 percent of state property was privatized. We for our part want to carry out privatization of 90 percent of property. This is not serious. We generally tend to run now to the left and now to the right. This is not the way to establish market relations. This is not a basis for establishing a market. This is not a basis for establishing private ownership, but yet another shady enterprise. In my opinion, the present privatization model must be revised. The process of privatization must be halted in order to prepare a normal financial and economic mechanism and only after that advance forward.

[Correspondent] Valeriy Heorhiyovych, speak louder, so that you would be HEARD. At the parliament.

[Babych] My voters in Western Donbass have heard me. I was a complete stranger when I came there and said: "My principle is to come to you as a stranger and leave as a friend." If the people believe that I am not a stranger, I will probably become a friend to them.

Oleksandr Moroz Interviewed on Election Program

LD1306194494

[Editorial Report] Kiev UT-1 Television Network in Ukrainian at 1645 GMT on 13 June broadcasts, as part of its pre-election programs, a 15-minute interview with presidential candidate Oleskandr Moroz by correspondent Borys Oliynyk. Due to a technical problem several minutes of this broadcast were lost at the beginning.

Borys Oliynyk asks Oleksandr Moroz to explain his economic program. Moroz replies: "With regard to the economy, when there will be normal authority and when this authority adopts a strategy of economic reforms that will be accepted by the people, then society may be consolidated and these problems may be resolved. In the last few days I worked with a group of scientists on such a strategy. It is called the basic directions of establishing a national economy of Ukraine. The main point is to make the economy work in the interests of the working individual—an honest individual who earns a living with his labor and his intellect. People understand that it is impossible to live like this because it is not fair."

Moroz goes on to expound on his economic program. He says these were stabilizing the money system, changing the credit policy in order to protect the producer, changing the country's import and export policies, and reforming the banking system. "It is important that relations between the state and the producer are fair and they should be built on economic laws so that the individual has the possibility of realizing his work, intellectual, and other potentials," adds Moroz. He goes on to say that the economy should be based on a "state regulated market." He criticized the present system which, he said, some people called reforms but really meant that Ukrainian goods were being sold abroad for pennies. One result of this was that hard currency was being stored abroad and this was a crime that should be stopped. He also criticizes the shortage of books in schools and advocated supporting Ukrainian culture and education through raising the profile of the intelligentsia.

Borys Oliynyk then asks Moroz to comment on the rising level of unemployment and organized crime. Moroz replies: "Much has to be done in order to bring order to the state. You were right in saying that one of the biggest concerns for people's honor was the turmoil, uncertainty, and even fear." He adds that in order to fight organized crime it is necessary to make use of the security service and some military formations, as well as the internal affairs bodies.

By way of conclusion, Oleksandr Moroz says that Ukraine should be a powerful state in the world community and that he would like the people of Ukraine to build a state with a society that was in a process of progressive development.

Talanchuk Pledges Agricultural Reform

LD1206100194 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 12 Jun 94

[Text] It is necessary to create proper conditions for working people. As far as social protection is concerned, it should be provided to pensioners, children, invalids, and other sections of the population that need it. Presidential candidate, Ukraine's Minister of Education Petro Talanchuk was saying this while in Zhitomir.

He believes that it is necessary to carry out a wise policy of taxation and crediting, using all possible means so that people be paid properly for the work they do. Talanchuk pointed out that, if elected to the high post, he would, first and foremost, carry out transformations in the agro-industrial complex. According to the candidate, the countryside would provide Ukraine with ample quantities of food in two years time.

Supreme Council Commission Chairmen Appointed

LD1306170294 Kiev UNIAR in Ukrainian 1430 GMT 13 Jun 94

[Excerpt] Kiev, 13 Jun— The Supreme Council Presidium held a meeting chaired by Oleksandr Moroz. The following new commission chairmen were agreed:

- Commission for Procedures, Deputy Ethics, and Safeguards of Deputy Activities: chairman Petro Sheyko;
- Commission for Chernobyl Catastrophe Issues: chairman Volodymyr Yatsenko;
- Commission for Defense and State Security: chairman Volodymyr Mukhin;
- Commission for Nuclear Policy and Nuclear Safety: chairman Mykhaylo Pavlovskyy. [passage omitted]

Deputies React to Government Powers Bill

944K1397A Simferopol KRYMSKIYE IZVESTIYA in Russian 7 Jun 94 p 1

[Article by V. Savchenko: "I Will Sing Someone Else's Song"]

[Text] And so it is done. On 3 June the Crimean Government finally put its ministers in key posts—the Ministries of Administration of State Enterprises, Agriculture and Food, and Economics and Finance. For these positions the Supreme Council approved the previously acting ministers Anatoliy Franchuk, Serhiy Nikolskyy, Andrey Chernyavskyy, and Lyudmila Zaytseva.

This was preceded by long discussions on the draft law "On Making Changes and Additions to the Law of the Republic of Crimea and On the System of Central Organs of State Power of the Republic of Crimea." The work, which was essentially to have been completed in the commissions, spilled over into the plenary part of the session. With incredible stubbornness the deputies defended one or another ministry or state committee, wanting to expand the government at their own discretion, no matter what. Many of the deputies were concerned most of all by the fact that the government could turn into a closed type of society since the number of ministries and state committees would be limited.

Ultimately the document prepared by the Standing Commission of the Supreme Council on State Construction, Legislation, Legality, and Law and Order was adopted with corrections and additions.

We turn the floor over to the deputies:

V. Brodin: I voted for the law on making changes and additions to the law on the system of central organs of state power. We must make it possible for the government to function. And the fact that the document was not properly prepared is not its fault. The deputies should have been given both the structure and the personnel composition of the ministries and committees beforehand. In 14 days we will return to the document on the structure of the government.

L. Grach:There is a situation in which a polarization process, which will not submit to any kind of normal analysis, takes place in the parliament's work. Those who shouted the loudest and defended the Constitution were zealously flouting it today. Naturally, I voted against it. The entire national economy of the Crimea was signed away. This means that in three or four months we will have a lamentable condition in the Republic, and in this case responsibility for the state of affairs will be born by the parliament, which made it possible to flout the Constitution.

These are two mutually exclusive opinions we heard during the recess after the voting. And when the session continued it turned out that certain deputies still did not understand the entire essence of the document for which they had voted. This is what happens when there is confusion and haste. One must assume that in two weeks, although this is an extremely short amount of time, the session will again return to the question of the government, but this time with carefully prepared documents.

This meeting of the session revealed another extremely serious and unfavorable aspect: There is no mutual understanding between the legislative and executive powers. In order to push the government to adopt the decision, President Yu. Meshkov spoke repeatedly at the meeting. "A failure to solve the problem of the government will place the economy of the Crimea in an even more difficult position which could be characterized as catastrophic. And instead of accepting the government in the form in which it is functioning and can function and endlessly improving on the law on the government, you are putting us back where we started. Be consistent. If you are responsible to the voters, you should follow their orders." These words from the president convinced a large number of deputies and they supported him.

The time itself requires rapid, resolute measures. The more so since for several months nobody has actually been doing anything about the economy and economic activity in the Republic. The new Crimean Government, which undertook to correct the reforms, must see the deputies as allies who will evaluate it for its actual activity. The deputies, who have met the government halfway, must be consistent in their subsequent decisions as well.

Parliament Considers Currency Regulation

LD1406125194 Moscow ITAR-TASS in English 0909 GMT 14 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev 14 June TASS—"The existence of a fixed currency exchange rate is one of the main reasons of the fall in production in Ukraine, which has gone down by 40 per cent during the past four months," Viktor Pinzenik, people's deputy, said during the Ukrainian parliament's session which opened today. According to former vice-prime minister for economic reforms, "two currency exchange rates are restraining exports and those industries which depend on imports."

As is known, as of today, according to Ukraine's national bank currency exchange rates, the U.S. dollar is equivalent to 16,500 karbovanets, but the "black market" rate is over 45,000. "As a result, the national bank has sold only $75 million during March, less than a half of what was sold before the introduction of the fixed exchange rate," Viktor Pinzenik said. According to the deputy, currently exchange offices are selling as much currency as the whole system of the national bank.

Viktor Pinzenik told deputies that as a result of such a ratio of internal and world prices, exports have become unprofitable. He proposed to change the currency regulation act.

The parliamentary session intends to consider the currency question this week. Deputies plan to hear a government report on social and economic state in the country and a report on this issue prepared by the Supreme Soviet chairman.

The election of Ukraine's prime minister will constitute a problem. The majority of deputies think that it is inexpedient to change the head of the government before presidential elections.

Vice Prime Minister Explains Economic Policy

AU1306171994 Kiev HOLOS UKRAYINY in Ukrainian 9 Jun 94 p 2

[Interview with Ukrainian Vice Prime Minister Vasyl Ivanovych Yevtukhov by Anatoliy Kraslyanskyy; place and date not given: "Reform—Not at the Price of Ruining Our Own Economy"

[Text] Our conversation with Vice Prime Minister Vasyl Yevtukhov started with the following question: As is known, there repeatedly sound reproaches in the press, as well as in official circles, to the effect that economic reforms in Ukraine are being implemented sluggishly, at any rate, slower than in neighboring countries. What is your opinion on the situation?

[Yevtukhov] True, such statements already set one's teeth on edge. However, let us first decide what we mean by the notion "reform." Even specialists are not infrequently confused here. This is what I will say: Some people reduce this notion to something primitive. If the state diminishes its influence on a certain branch or enterprise, which start floating with the stream, to some people this already looks like reform. Under reforms, I understand such management of economic processes as would ensure a rise in the efficiency of production and, in the final analysis, the people's well being. It is precisely from this formula that I proceed, even though there are many critics of this approach.

For some reason, there is an opinion, even shared by some economists, that reforms imply an intensive development of small businesses (of course, through a weakening of the state sector). Indeed, small businesses are a necessary element in reforming the economy.

However, they have no plans of investing money in long-term projects or in the program for the state's strategic development and are in no hurry to engage in science-intensive production or in the fulfillment of other important and promising state tasks—for example, defense, social protection of the people, and so on.

Therefore, while implementing reforms, we should not ruin our own economy for the sake of privatizing at any price something that we do not infrequently observe in our state. Reforms require a sensible correlation between the state and private sectors, as this is done in advanced countries, and a cautious approach to privatizing strong and well-established enterprises, at the same time providing wide possibilities for the development of small businesses.

[Kraslyanskyy] However, Vasyl Ivanovych, Western experts particularly criticize us for the fact that state control over the economy allegedly hampers reforms and stifles the development of private businesses.

[Yevtukhov] Our economy needs to be reformed proceeding from common sense and should not blindly copy someone's models, which are in many cases not the best ones. In this, I support academician Pakhomov, who expounded a whole scheme of resistance on the part of various countries of the world to those reforms, which are based upon a strictly monetary approach and upon the thesis to the effect that "the less the state's interference, the more extensive the reforms."

Japan became an economically strong country despite, and not owing to, such an approach. South Korea, Taiwan, Hong Kong, Singapore, Indonesia, and now also Malaysia have also rejected such a model.

[Ludwig] Erhard [FRG postwar economics minister], whom we often quote, started not just with monetary reform but also with directives. He restored "in a Soviet manner" the severed ties and set economic mechanisms into operation through directives. In postwar Germany, there existed planning on the macro-level. It was only after the situation started to take proper shape and the economic transition to the conditions of market regulation started that prices were liberated.

As you can see, the economy of the aforementioned countries developed under the control of the state in order to concentrate efforts and prevent chaos.

I believe, therefore, that the thesis "the less the state's interference, the more extensive the market" is erroneous and even harmful. It is more suitable for countries with weak industry, where this model restricts possibilities of ruination.

In our country, with its colossal economic potential, including missile construction and biotechnologies, such actions are very detrimental to the development of science, up-to-date technologies, or to the elaboration of fundamental projects.

I am stressing: I am against administrative interference into the work of enterprises, but I am in favor of discipline and well-considered actions in all links of the economy.

With your permission, I will once again turn to foreign experience. By the resolution of 1 December 1986, the principle of free prices was introduced in France (mind you, as late as 1986!). However, this document allows the government to take measures in the case of excessively high prices or in situations created by extraordinary circumstances, including crisis ones. They make it possible to establish ties between the market economy and the economy of planned distribution and, on the one hand, to avoid social shocks and, on the other—to protect the national producer.

I am convinced that we are currently in the transitional period from the strictly administrative command economic system to a market one. That is why it is necessary to chose "transitional" methods without extremes and take into account the experiences of other countries, which must be studied with a pencil in hand instead of taking for granted what newspapers and magazines write.

[Kraslyanskyy] At sessions of the Supreme Council, the government was repeatedly admonished for its failure to have a distinct plan for emerging from the crisis. Do you have your own vision of such a plan?

[Yevtukhov] The government has a plan. I also know what needs to be done in the sphere of which I am in charge. I am convinced, in particular, that we must start with establishing order in the banking and credits system concurrently with restructuring the economy. Today, as you know, the nonpayments, the absence of credits, the failure to pay wages, the decrease in the population's purchasing power (and also a slump in production, since an illusion of overproduction is created), and financial abuses painfully hit the economy. It is only stringent normative regulation of Ukraine's banking and finance systems that may today rescue us from total chaos in this sphere and in the entire economy.

The banking legislation in the United States envisages, for example, state regulation of the functions of the credits and finance system to a larger extent than of other types of entrepreneurship precisely because the character of banking operations has the greatest influence upon the material well being of a society or upon its moods.

The second, in my opinion, important problem is a reorganization of trade, primarily external trade and the related system of currency regulation in mutual settlements and control over currency receipts. Export today is becoming unprofitable due to the fixed rate of exchange of the karbovanets with regard to the dollar.

The third problem is a complex of measures associated with the encouragement of the national commodity producer.

[Kraslyanskyy] You, Vasyl Ivanovych, have come from the Supreme Council. How do you see, from your new positions, a cooperation between these high-level state structures?

[Yevtukhov] We are jointly doing common work, and it is necessary to proceed from this. Everyone must be in his own place and be answerable for what he has been authorized to do by the law and by the Constitution.

Undoubtedly, the Supreme Council, as the state's highest-level body, must control the government's activity, but not by way of demanding monthly reports after the return of the deputies from provinces, as was the case in the past.

I would like to stress that reforms will not advance (even if supervised by a new Erhard), unless the power vertical and control over the economy are restored. Here, the Supreme Council, as the highest legislative body, must assume the responsibility.

I see as optimal such cooperation in which the government, jointly with working structures of the Supreme Council, submits its plans for consideration, deputies thoroughly study them, analyze, and, if necessary, amend, and then ensure their implementation through legislation.

I am against any confrontation, ambitions, or populism and favor constructive work and logic of mutual persuasions.

In conclusion, I would like to say the following. Ukraine may be rich and strong. For this, it is necessary to work more and not whimper or give rise to hysteria about the crisis or various disasters. No one, except us, will extricate our country from the difficult period in its state development.

Environment Minister Surveys Nuclear Industry

WS1406130094 Kiev VYBIR in English 2025 GMT 13 Jun 94

[Article by Ukrainian Environmental Protection Minister Yuriy Kostenko "specially for VYBIR"]

[Text] The Ukrainian parliament's decision to lift the moratorium on nuclear power engineering development and to continue operation of the Chernobyl NPP [nuclear power plant] has given rise to a number of important questions. The main question is: Was that decision scientifically grounded from economic and ecological points of view or will it lead to the situation when, in 10 years, we will have to build several "sarcophaguses" like the one we have in Chernobyl today? To answer this question, I will try to briefly analyze the state of affairs in our nuclear power industry and the prospects of its development in Ukraine and elsewhere. There are 14 nuclear power units in Ukraine which are located in five sites, involving 10 VVER-1000 reactors, two VVER-440 reactors, and two notorious RBMK-1000 reactors of Chernobyl type. As far as the unit number is concerned, Ukraine occupies the seventh place in the world and the fifth in Europe. As for the nuclear capacity, equalling 12,880 MW [megawatts], Ukraine exceeds Great Britain, being inferior in Europe only to France, Germany and Russia. Despite that, our country remains part of the once single nuclear power complex and cannot exist outside it. Having become an independent country, Ukraine had a unique opportunity to set up the state of the art nuclear safety system allowing for domestic and world experience. However, unwillingness of the Ukrainian officialdom to solve this problem in a comprehensive manner, also the pressure on the part of pronuclear parliamentarian lobby created the situation when today we have the same obsolete system of the bodies responsible for nuclear and radiation safety, the system that existed in the USSR. This fact, also inadequate industrial infrastructure and scientific-technological support prevent Ukraine to ensure adequate safety of its NPP's. On the other hand, almost complete dependence of this country on Russia in the NPP operation domain makes it possible for the latter to regulate the development of Ukrainian nuclear power industry in its own interests. This is very important for Russia today when there appear cardinal changes in its nuclear power complex characterized by drastic labor cuts and closure of nuclear industry enterprises as a result of reduction in financing of military nuclear programs. Given this, the Russian Government tries to reorient its nuclear industry to fulfillment of civil programs. This is proved by the latest decisions of the Russian Government on financing of construction of new NPP units. The Russian Nuclear Engineering Ministry is going to promote both Russian and Ukrainian nuclear power programs, to support the relevant decisions taken by the Ukrainian parliament involving continuation of Chernobyl NPP operation and completion of construction of six new VVER-1000 units. Why? Because such decisions help provide new orders for the Russian nuclear complex and said ministry. So, it is hard to answer for whom our NPP's work—Ukraine or Russia? Ukraine boasts rich deposits of uranium. We also have zirconium, hafnium, niobium, other rare-earth elements required for nuclear fuel cycle. The Ukrainian plants produce "heavy water" as well. We have a powerful scientific potential. It is worth underscoring that the fulfillment of the Ukrainian nuclear program depends on solution of the following main problems:

- Improvement of competitiveness of domestic nuclear industry;
- Raising the nuclear safety to the level excluding the possibility of grave accidents at the Ukrainian NPP;
- Safe handling of radioactive wastes.

It is more profitable for our NPP's to use not enriched but natural uranium. For instance, fuel cycle of the Canadian reactors of CANDU type, that utilize natural uranium, is much simpler, cheaper and ecologically safer versus that of VVER or RBMK reactors which employ enriched uranium. There is no need to enrich uranium while the waste fuel in such reactors has a very small number of fissionable isotopes thus facilitating solution of the fuel storage and burial problem. Besides, CANDU reactors can be used to burn the fuel from VVER reactors. Usually, service life of nuclear reactors is 30-40 years but, in fact, it is about 15-20 years taking into account the safety requirements. For instance, today in the world, some 80 reactors, that had worked 17-20 years, have been removed from service. The nuclear boom of the 1960's has been replaced in many countries by a "terrible hangover" in the form of closure of quite a few NPP's. This involves the growth of relevant expenses and the problem of nuclear waste utilization. According to the State nuclear power committee, removal of Chernobyl NPP from service will cost $2 billion. If this is true, the idea of nuclear power engineering development in Ukraine becomes rather doubtful. In the NPP's with VVER-type reactors, steam generators should be replaced in 7-12 years. As regards the CANDU reactors, their horizontal fuel channels must be replaced in 11-12 years, not in 40 years as the reactor designers believed. The RBMK reactor requires full replacement of fuel channels after 20 years of operation. We annually spend 10-15 percent of our budget to fight against Chernobyl aftermath. One should also take into account the huge contaminated area and Chernobyl hazardous effect on human health. Chernobyl proves that there exist certain critical economic and geographic dimensions when the accident of such scale is capable of ruining the country's economy.

NPP's heat discharges twice exceed those of ordinary heat and power stations since their heat cycle efficiency is 30 percent versus 50 percent of heat and power stations. This fact and the necessity to use the closed water circulation systems require creation of big cooling water reservoirs near NPPs which change ecologic balance there. An example of this is location of the Zaporizhya NPP close to a heat and power station which enhanced the negative effect of sulfur oxide and nitrogen discharges. Situation with radioactive wastes in Ukraine is a real catastrophe. Huge amounts of such wastes were produced by Chernobyl. There are over 100 radioactive sources whose use in national economy is not controlled adequately, more than 70 million cubic meters of wastes stored in mining industry dumps. Such wastes are used as the fuel for NPP's but, at the same time, they are a powerful source of environmental contamination. Most radioactive wastes are generated by NPP's. Experts warn that absence of adequate technologies and national centers for treatment and burials of such wastes prevents to ensure proper safety of NPP's. The problem is aggravated by absence of the state strategy and infrastructure for handling the wastes. Solution of such problems is the chief prerequisite for development of domestic nuclear power industry. First of all, it is necessary to define the notion of the waste nuclear fuel. Experts from some countries (Russia, Great Britain, France, China, Japan etc.) maintain that this notion includes such valuable materials as uranium, plutonium, isotopes and rare-earth elements. Other experts (Canada, Sweden, United States) regard this fuel as radioactive wastes. It is evident that in the first case it would be unprofitable for Ukraine to give such valuable [materials] to Russia free of charge. On the other hand, at any time, Russia may refuse to accept such materials from our country. Should this happen, we must construct our own temporary "dry" storages where the wastes may be kept from five to 120 years. Then we can start thinking about the ways of wastes utilization and burial. Our efforts today should be channeled to raising the NPP safety and wastes utilization. Urgent measures in this field include: replacement of Chernobyl reactors by more reliable and safe VVER-type reactors in Zaporizhya, Rivno and Khmelnytsky NPPs; construction of temporary storages for nuclear wastes; production of fuel assemblies by the Ukrainian enterprises that will help improve the NPP safety. All of us are responsible for "nuclear future" of Ukraine—either it will be bright or covered with radioactive clouds.

'Painful' Talks, Concessions Said To Secure Gas Deliveries

WS1406140794 Kiev UKRINFORM in English 0814 GMT 14 Jun 94

[From the "Business News Weekly" feature No. 24, June 6-12 94]

[Text] Since very painful and complicated negotiations in Kiev (see UBN No. 23/1994) and significant concessions on the part of Ukrgazprom, Russia's natural gas supplier, Gazprom, has continued its extra supplies, which allows Ukraine to pool enough natural gas to sustain Ukraine through the customarily dreaded fall-winter period, without restricting domestic consumption.

Under an earlier agreement Gazprom undertook to pipe 10 billion cu. m. [cubic meters] of natural gas to Ukrainian underground storaging facilities located predominantly in West Ukraine.

A part of the above amount will be redeemed by Ukraine, though the bulk of natural gas stocks are supposed to secure stability of Russian exports to other nations, whose gas consumption will naturally grow in the fall-winter period.

Gazprom supplied 5,257.9 million cu. m. of natural gas within the 1-10 June period, which exceeded the target figure by 174.7 million.

Within the same period, Turkmenistan piped 601.9 million cu. m. of natural gas to Ukraine, which also exceeded the agreed amount, by 90.2 million cu. m.

Ukraine's aggregate natural gas consumption during the very same period totalled 756.2 million cu. m., which allowed to save 450 million cu. m. of natural gas and increase Ukrgazprom's underground-stored pool by 4,103.6 million cu. m.

If natural gas supply rates are maintained at their present magnitude, Ukrgazprom will be able to pool the necessary 25 to 30 billion cu. m. reserve by the summer season's close.

Belarus

Agreement Signed on CIS Envoys Rights in Minsk

LD1306151194 Moscow INTERFAX in English 1351 GMT 13 Jun 94

[Text] On Monday [13 June] in Minsk, the Prime Minister of Belarus Vyacheslav Kebich and the CIS Executive Secretary Ivan Korotchenya signed an agreement on the terms of operation of CIS coordinating bodies in Belarus. The document provides for a set of benefits and privileges to these bodies.

The CIS Executive Secretariat shall be freed of all national and local taxes and payments, except compulsory social security payments. Neither will it have to pay export or import taxes or customs duties.

Its staff is exempt of criminal, civic and administrative responsibility under Belarussian jurisdiction for all actions as well as written and orals statements in office. Staff members enjoy personal inviolability and are freed from examination, detention and arrest. They have the right to the inviolability of their correspondence and documents. All payments they receive from the secretariat are exempt of taxation, except for compulsory social security payments.

According to the agreement, the correspondence and archives of the secretariat and permanent representatives are inviolable. Official reports cannot be censored. The secretariat and permanent representatives have the right to use ciphers of courier mail and other special forms of communications.

Legislative Commission Views Border Dispute With Lithuania

WS1406103894 Minsk Radio Minsk Network in Belarusian 1715 GMT 13 Jun 94

[Report by Mikhail Rutkowski]

[Excerpts] The Belarusian Supreme Soviet Commission for International Affairs and External Economic Relations held a session on 13 June dedicated to the issue of the railroad station at Hadutsishki on the Belarusian-Lithuanian border. As we all know, the station was built by Belarus in 1979, during the construction of the Ignalina nuclear power plant. Moscow then subordinated the station to the Lithuanian Railroads. After the collapse of the USSR, Lithuania obtained possession of the station. The latter, however, is located on Belarusian territory and belongs to us, Belarus. Commission Chairman Ivan Tsyareshka spoke at the session.

[Begin Tsyareshka recording] The negotiations have been unjustifiable dragging on for too long. It is difficult to resolve certain issues with Lithuania—not just the border issue, but also that of Belarusian property located on Lithuanian territory. Meanwhile, we are successfully resolving similar problems with our other neighbors, including Latvia, Ukraine, and other republics. [passage omitted]

Tension is growing on a daily basis. We have found ourselves in an absurd situation: Belarusian freight trains are moving along Belarusian rails, but the Lithuanian side collects all the payments just because those trains pass through a small station named Hadutsishki. Sound thinking has always been part of the Belarusian mentality, but we must uphold our interests. [end recording]

Deputy Foreign Minister Stanislaw Ahurtsow, head of the delegation, pointed out that the Lithuanian side is purposefully raising a hue and cry over Hadutsishki.

[Begin Ahurtsow recording] [passage omitted] It will be very difficult to resolve this issue at the level of delegations. We must engage both the legislature and the government. Here I have the diplomatic note that was sent to the Lithuanian side on 10 June. Let me read it: The Belarusian Foreign Ministry has learned from competent sources that at the [words indistinct] maintenance section, the Lithuanian side is dismantling railroad tracks and embankments and shipping them out of Belarusian territory. The ministry voices its protest against such actions by the Lithuanian side and views them as an encroachment on the property of the Republic of Belarus. The ministry believes that these actions will be immediately discontinued and the railroad tracks restored. The Belarusian side reserves the right to take appropriate measures to protect its property. [end recording]

The commission produced a draft resolution to be submitted for approval by the Supreme Soviet Presidium. The resolution envisions that by 1 September 1994 all the tracks on Belarusian territory, currently used by the Lithuanian side, be transferred under the jurisdiction of the Belarusian Railroads. It was decided to suggest that the Council of Ministers consider the possibility of building a parallel track at this section of the Belarusian Railroads.

Communist Presidential Candidate Outlines Election Platform

WS1306144494

[Editorial Report] Minsk BTK Television Network in Belarusian at 1700 GMT on 9 June carries a 40-minute program in the "Rostrum of the Candidate for the Presidency of the Republic of Belarus" series, which is devoted to presenting the platform of Vasil Novikaw, the Belarusian Communist Party's candidate for president. The program is moderated by Ala Ustsina, and a chief legal adviser and a member of the Central Electoral Commission are also in attendance. The program consists of a live segment with Novikaw, and a recorded video portraying Novikaw as family and public man.

Questions, both live and recorded, are posed to Novikaw by unidentified journalists. Novikaw speaks in Russian throughout the program.

Touching upon political issues, Novikaw states that all the misfortunes of the people began with the "Moscow events of 1991" and the agreement in the Belavezha forest, where the "great three ruined the great country—the Soviet Union." The Communist Party of Belarus, which put forward his candidacy, speaks for the "building of authentic socialism—a society of social justice," Novikaw says. He voices assurances that "the mistakes of the past will not be repeated by Communists in the future."

Asked about differences between the Communists and other political forces in Belarus, Novikaw says that these differences can be seen as "ways and methods for obtaining a common goal—the welfare of Belarus." Novikaw assures that the Communists do not want to "expropriate" private property after coming into power "again," but they will give priority to the state form of ownership in those branches of the national economy, which are "vitally important" to the maintenance of society as a whole. He adds that in other areas of economic activity—for example, in trade and services—private forms of property and business will be admissible.

Discussing the problem of responsibility for the current economic situation in Belarus, Novikaw states that, beginning 1991, the power in Belarus was in the hands of "non-Communists," who dominated both the government and the Supreme Soviet. According to Novikaw, Communists—that is, members of the current Communist Party of Belarus—comprise only 20 percent of the current Supreme Soviet. The government and the Supreme Soviet, he affirms, are dominated by members of the "party of power." He argues that the Communists are capable of managing the economy efficiently. Novikaw cites China as an example to support this claim.

Asked about possibly abandoning his candidacy in favor of Prime Minister Vyachaslaw Kebich, Novikaw answers in the negative and adds that he has been obliged by his party to "go to the end" of his presidential campaign.

At the end of the program, Novikaw promises that in a few days he will publish his propositions, with regard to reforms in the Armed Forces, in local newspapers.

Accusations Rife During Election Campaign

LD1306172094 Moscow NTV in Russian 1500 GMT 13 Jun 94

[Video report by correspondent Marina Ivanova; from the "Segodnya" program]

[Text] [Ivanova] The presidential election campaign in Belarus is taking place to the accompaniment of scandals and attempts to find out the attitudes of the candidates. One of the candidates standing on behalf of the Democratic Bloc, Stanislav Shushkevich, said in an interview to the Segodnya program:

[Begin Shushkevich recording] There is massive pressure on local authorities that they have to say that Vyacheslav Kebich is the most intelligent and talented. They have to be quiet about the fact that he has, on the whole, brought the Republic to economic collapse. [end recording]

[Ivanova] A special Monitoring Council made up of famous journalists and lawyers has been set up in the Central Electoral Commission for the first presidential elections in order to ensure equal opportunities for candidates to use the mass media. Inter alia this council has noted three unplanned appearances by presidential candidate Vyacheslav Kebich on 2, 3, and 4 June. These were not just appearances by the prime minister, but also contained elements of his election campaign. Other candidates did not have this opportunity, an official statement from the Monitoring Council says.

Apart from this, in certain parts of the Republic on 11 June, an appearance by Stanislav Shushkevich live on national radio was unexpectedly disrupted. Instead of a dialogue with the former parliament speaker, the listeners had to listen to a monotonous reading of provincial news.

Another scandal has broken out around Aleksandr Lukashenko. A truck from Latvia was detained by Belarus customs in the town of Braslav. The truck contained printed material supporting Lukashenko's candidature—65,000 color posters and 250,000 pamphlets produced by the German firm of Supra from Hanover. The customs officers put the value of the load at 100 million rubles, although the documents said just nine million. The law on presidential elections forbids any direct or indirect participation by foreign firms or individuals in the organization or conducting of the elections. All financial provisions come from the state budget.

Marina Ivanova, Igor Stanov, Dmitriy Semenov, Minsk, exclusivly for NTV.

Kazakhstan

Government Restructures; New Ministers Named

LD1306215894 Almaty Kazakh Radio Network in Kazakh 1400 GMT 13 Jun 94

[Text] In order to more effectively implement the state policy in the field of utilization of the fuel and energy potential of the country as the most important prerequisite of an accelerated social and economic development of all its regions, President of Kazakhstan Nursultan Nazarbayev decreed the establishment of the Ministry of Oil and Gas Industry of the Republic of Kazakhstan and the Ministry of Power Engineering and Coal of the Republic of Kazakhstan on the basis of the dissolved Ministry of Power Engineering and Fuel Resources of the Republic of Kazakhstan.

By the decree of the President of the Republic of Kazakhstan, Syzdyk Dzhumatay-Uly Abishev was appointed as Head of the apparatus of the Cabinet Ministries of the Republic of Kazakhstan. He was released from his post as deputy prime-minister of the Republic of Kazakhstan and minister of foreign economic relations. Abishev keeps his membership in the Cabinet of Ministries. In order to more effectively use the production potential of the Republic and to satisfy the market demand and to [words indistinct], Nazarbayev decreed the establishment of a Ministry of Industry and Trade of the Republic of Kazakhstan on the basis of the dissolved Ministry of Foreign Economic Relations of the Republic of Kazakhstan, the Ministry of Industry and the Ministry of Trade of the Republic of Kazakhstan.

In order to cut expenses on the upkeep of the bodies of state management, and to separate economic functions from them, as well as to carry out a common state policy and to regulate the work of all kinds of transport and communications, Nazarbayev decreed the establishment of the Ministry of Transport and Communications of the Republic of Kazakhstan on the basis of the dissolved Ministry of Transport of the Republic of Kazakhstan and the Ministry of Communications of the Republic of Kazakhstan.

Zhanibek Salim-Uly Karibzhanov was appointed Minister of Agriculture of the Republic of Kazakhstan. He was released from his post as Deputy Prime Minister of the Republic of Kazakhstan and Chairman of the State Committee for State Property.

By decree of the Kazakh president, Yesenberlin Kozy-Korpesh Ilias-uly is appointed chairman of the state committee of the Republic of Kazakhstan on state property.

In order to ensure independence of the national bank while implementing monetary and crediting policy, the President of Kazakhstan decreed that governor of the Kazakh national bank Sembayev Daulet Khamit-uly be withdrawn from the membership of the Cabinet of Ministers.

Changes To Aid Market Reforms

LD1406061894 Moscow ITAR-TASS in English 0606 GMT 14 Jun 94

[Report by ITAR-TASS Gennadiy Kulagin]

[Text] Alma Ata [Almaty] 14 June TASS—President Nursultan Nazarbayev of Kazakhstan has taken new steps to accelerate market reforms and pull his republic out of the economic crisis. The local press today carries decrees of President Nursultan Nazarbayev aimed at major restructuring of the Republic's ministries and scrapping some of them altogether.

The abolished Ministries of Foreign Economic Relations, Industry and Trade will be replaced by one single Ministry of Industry and Trade for purposes "of making a more effective use of the Republic's production potential and meeting market demand, as well as for purposes of entering international economic relations as soon as possible."

The Ministry of Transport and Communications will take over from two other abolished ministries, those of transport and communications, which is expected to cut spending on the upkeep of state government bodies and streamline their operations.

On the other hand, the Ministry of Energy and Fuel resources is now divided into two ministries, the Ministry of the Oil and Gas Industry and the Ministry of Energy and the Coal Industry to ensure a more effective implementation of the state policy in the use of the republic's fuel and energy potential as a major precondition for accelerating the social and economic development of all of its regions.

The chairman of the National Bank is given a more independent status in pursuing the monetary and crediting policy. He will no longer be a member of the cabinet.

Vietnam's Vo Van Kiet Meets Nazarbayev

LD1306182594 Moscow ITAR-TASS World Service in Russian 1312 GMT 13 Jun 94

[Report by KAZTAG correspondent Ivan Zakharchenko and ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty, 13 June—The two countries stand to mutually benefit most from cooperation between Kazakhstan and Vietnam in the sphere of agriculture, oil-extraction, mining, and textile industries. This was noted today during talks between Sergey Tereshchenko, the prime minister of Kazakhstan, and Vo Van Kiet, the prime minister of Vietnam, who is in Almaty on an official visit. Earlier in the day the Vietnamese prime minister was received by the President Nursultan Nazarbayev.

The talks stressed that getting bilateral trade between Vietnam and Kazakhstan going promises prompt results.

In the opinion of the head of government of Kazakhstan, when attracting foreign investors, both countries should take into account the interests of the third party. From his point of view, the creation of joint enterprises in both countries, the exchange of scientific potential and mutual assistance in training cadres in specialities in short supply would be of indubitable benefit.

For his part, the Vietnamese prime minister proposed to set up an intergovernment commission for economic cooperation, this was perceived with interest.

After the talks a joint intergovernment statement was signed.

Today Kazakhstan-Vietnamese consultations were held within the framework of the premier's visit at the local foreign ministry. The heads of the foreign political departments of both countries, namely Kanat Saudabayev and Nguyen Manh Cam, reached an accord on interaction in the Asian process, in particular, for the purpose of implementing the initiative of President Nursultan Nazarbayev on ensuring security on the continent.

Kazakhstan, Vietnam To Develop Relations

LD1306164494 Almaty Kazakh Radio Network in Kazakh 1400 GMT 13 Jun 94

[Text] On Sunday [12 June] evening a Vietnamese Government delegation arrived on an official visit to Almaty led by Prime Minister Vo Van Kiet. At the airport, the delegation was welcomed by Prime Minister Tereshchenko and other officials. This morning, at the residence of the president of Kazakhstan, intimate talks were held between Nazarbayev and Vo Van Kiet. During the meeting it was noted that today the task is of not only restoring, but significantly broadening on a mutually beneficial basis of earlier existing ties between the two countries. The transition to a market economy is not simple, said the head of our state, and Kazakhstanis are interested in the experience of Vietnam in the restructuring of their economy.

Exchange of opinions showed that the stance of the sides coincides on many foreign political issues. In particular, the leadership of Vietnam absolutely supports the initiative of the president of Kazakhstan on the convocation of a conference on interaction and confidence-building measures in Asia, and is contributing to its implementation. No obstacles exist for development of bilateral relations, Vo Van Kiet said. They will facilitate a more successful overcoming of hardships that both states have.

On behalf of the president of Vietnam, Prime Minister Vo Van Kiet invited Nazarbayev to visit Vietnam on an official visit at his convenience. The head of Kazakhstan expressed his gratitude. Prime Minister Tereshchenko, his deputies Syzdyk Abishev and Galym Abilseitov, Foreign Minister Saudabayev, and other officials participated in the talks.

This afternoon, Prime Minister Tereshchenko held talks with Vo Van Kiet. He discussed those fields of cooperation that promise the best mutual benefit. The head of the Kazakh Government stressed the necessity of attracting foreign investors, taking into account interests of a third party. Investing foreign capitals in Kazakh industry, Kazakhstan could take care of Vietnam's interests, and Vietnam could take care of Kazakh interests. The Vietnamese prime minister put forward a proposal to set up an intergovernmental commission on economic cooperation. The Kazakh side received this proposal with interest.

As result of the talks a joint intergovernmental communique was signed. The outcome of the first working day of the visit of the Vietnamese delegation was summed up at a news conference held by Vietnamese Foreign Minister Nguyen Manh Cam. Within the framework of the visit to Kazakhstan of Vo Van Kiet, the prime minister of Vietnam, the Kazakh-Vietnamese consultations were held at the Foreign Ministry. The ministers agreed to develop a constant dialogue in order to maintain Kazakh-Vietnamese relations on a proper level.

Nazarbayev Address to Supreme Council

LD1306184094 Almaty KAZTAG in Russian 1430 GMT 13 Jun 94

[Excerpts] [No dateline as received]—The president of the Republic of Kazakhstan has addressed the Republican Supreme Council with this message: [passage omitted]

A short while ago—two and a half years ago—Kazakhstan, as well as all the other CIS countries, began its policy of implementing radical market reforms, and since then it has achieved considerable success in introducing market reforms. The old system's foundations have already been demolished. Transformations are now irreversible.

We have also demolished the old system of management and production, the centralized distribution of resources, material benefits, and labor. On the whole, we have introduced a change from guided price formation to a free pricing practice that reflects sales opportunities. The state will regulate only a small list of the socially important goods and services.

The state has eliminated restrictions with regard to wages in the production sphere and services. The "Iron Curtain" in foreign trade has been eliminated and demonopolization has been carried out. The influx of foreign investments to the country's economy has considerably increased. The radical reform of the budget and banking system is continuing, with a view of adapting them to civilized norms. The loan capital and currency markets are being created, labor and housing markets are expanding.

We are changing our view on property. At present, the process of dismantling of state ownership is quite active and conditions are created for further privatization of state enterprises.

The institution of private property is being granted the same kind of rights as the state in terms of economic relations and public attitude. [passage omitted]

At present, Kazakhstan is living through an extremely difficult social and economic crisis, which is unique in a sense. First, crisis is something that accompanies any market economy. All the developed countries, at one stage or another, had to face it. The main thing is to minimize its consequences, speed up the rate of lifting the country's economy out of this crisis. Nobody ever succeeded in escaping it. Unfortunately, we had to start with a crisis stage.

Second, Kazakhstan has gained its sovereignty at a time of obvious crisis manifestations, caused by deficiencies in the administrative methods of economy management, which have exhausted themselves.

Third, the crisis that we are living through has been caused by the disintegration of the old economic system and the need to establish a new one. [passage omitted] The main reason for the deepening crisis is the disintegration of the USSR. Kazakhstan's economy, on the day of it gained independence was a part of the powerful and monolithic economy of the USSR, which used to fulfill its own local tasks. [passage omitted]

We also inherited an unbalanced trade balance, especially with Russia. In 1990 we imported produce worth 18 billion rubles (in prices of that time) and exported goods worth half of this sum. This negative balance is now being treated as the state debt of the country, which affects the state budget. Under the worsening financial situation, under the conditions of the open market and with prices for fuel approaching the world level, Kazakhstan has overproduced such commodities as meat, phosphorus, fertilizers, tractors, cement, and others. The market for Kazakhstan's goods is restricted mainly by the CIS space. Consumers, both domestic and internal, have become more choosy in selecting goods, taking into account both quality, quantity, and price. The volumes of production of the once strategically important types of goods exceed the domestic needs of the country. Due to their quality and absence of experience in foreign market's trading they do not have a reliable and stable market outside Kazakhstan. [passage omitted]

Animal husbandry in agriculture is inefficient with its high prices for forage and absence of selectivity [sentence as received]. We have extremely high volumes of grain production that exceed the needs of the country. The areas under crops are extremely large and, at the same time, we have low crop capacity. [passage omitted].

Third [as received], [words indistinct] market forces have encouraged the creation and development of new sectors of economy, new economic businesses, and operations. They have filled the void and begun to bring the country's economy in compliance with new demands. At the preliminary stage, entrepreneurs channeled their efforts to the circulation sphere, as the most efficient for private business. Trade and the service sphere, which used to occupy a small place before, is being developed rapidly. [Word indistinct] an active process of redistribution of the capital and work force, a more flexible movement of commodity resources in accordance with the demands of the market economy have started as a result of appearance of [words indistinct] in some other spheres of the economy. [passage omitted]

We have compatible enterprises in all the spheres of economy, in order for them to survive and develop we need large investments, both external and internal. But all the long-term spendings are possible under one condition that the inflation rate will remain at a level not higher than 10 percent. The issue is to improve the economy financially. That will make internal investments possible. The population will have a stimulus for accumulating capital [words indistinct] and modernizing production. We need a tough financial policy by the National Bank, no matter how difficult this may be. There is no other alternative.

The efficiency of the market economy's policy and practical activity, which is being conducted by the government, apart from objective factors, is being impeded by certain unthoughtful steps and decisions, mistakes. [passage omitted]

The old parliament was too slow to follow the dynamics of the socio-economic and political processes. [Word indistinct] elaboration of laws, there were around 300 of them, have been too quick and done without approbation. Quite often deputies were used as machines for voting. At the same time, drafts of the certain legal acts on the most urgent problems of state and economic life have been left unexamined. Among them is the draft program of the legal reform that was submitted for consideration by the parliament two years ago. Its adoption would have helped to make considerable changes in this sphere and would not have made possible the acuteness of the constitutional reform problem. [passage omitted] The banking system has not been prepared to work under new conditions. Wide-scale and nonregulated liberalization of banking activity, unrestricted freedom of activity of commercial banks, imperfect legislation, and unprepared financial and credit policies of the state for the market economy's principles and conditions have resulted in the situation where negative tendencies became domineering. The fact that we are lagging behind with the reform in the banking system, slows down the adaptation of production to market conditions, its diversification, and the development of market forces. [passage omitted]

The government is too slow in tackling the topical issues, it has not elaborated the procedure and mechanism of bankruptcy. Its tax policy and practice, as well as its policy in many other issues is not up to the mark. The government has been slow in creating the market of securities, insurance policy, creating a civilized market infrastructure. There are a lot of serious problems in dismantling, managing state property and state owned enterprises. [passage indistinct].

Society focuses its attention on Legislative and Executive Branches of power, ignoring judicial. At the same time, the court is the most important element in the defending rights and freedoms of people. The Judicial Branch of power in Kazakhstan has not yet found its place. [passage omitted] Recognizing the mistakes that have been made, we at the same time, should understand that Kazakhstan, its political and state leadership along with society, are in the process of learning, mastering the new, and implementing large-scale transformations. The situation in the country could have been worse. [passage indistinct].

At the same time, political stability depends on the economic situation. Therefore, furthering the economic reform also becomes a political problem. [passage omitted] The moment that we are living through is illustrative in the sense that the old economic system has stopped being an integral system, and the roots of the new one are not yet strong enough. The only way of supporting them and stabilizing the economy is to facilitate rates of transformations. We should not waste our time. This will not make the situation easier, it will just elongate and over complicate things. Last year and the beginning of the present year have shown this vividly. We will still have to travel a long and difficult journey. The main thing is to draw our lessons from accumulated experience and make amends to the program of reforms. [passage indistinct] In general we know what to do next: These are the dismantling and privatization of state ownership, anti-inflationary policy, minimization of budget deficits and the positive balance of payments, introduction of a tough mechanism of bankruptcy, liberalization of prices, trade, and the creation of a competitive environment. The problem that the political leadership of the country is facing today is: A) Either to conduct the policy of reforms, as before and at the same rate, with due consideration taken of the available resources. It essentially means counting on our own resources and the introduction of maximum restrictions in the social sphere; or B) Taking into consideration the general situation, to choose something new and make amends to the current policy so as to ensure higher dynamism and efficiency of reforms. Until now we conducted the policy of minimizing the budget deficit, suppressing inflation, increasing taxes, and restricting spendings. Such a financial policy has contributed to a much quicker formation of market relation and, at the same time, has resulted in a crisis in the social sphere. The beginning of the current year has shown that reduction of spendings in this particular sphere has reached its limit, which is unacceptable by the population. Behind it is the degradation and disintegration of a number of branches of industry. [passage indistinct]

Saudabayev Returns from Istanbul Meeting

LD1306163494 Almaty Kazakh Radio Network in Kazakh 1400 GMT 13 Jun 94

[Text] Foreign Minister Kanat Saudabayev gave a speech last Saturday [11 June] at a conference of foreign ministers held in Istanbul. He said in particular that Kazakhstan, from the very first days of its revived statehood, stands for the strengthening of international security and an atmosphere of confidence. The Kazakh leadership regards the country's participation in North Atlantic cooperation from this viewpoint. The preparation of the final documents was held in an atmosphere of tense debates, and the Kazakh delegation's amendment was introduced. As result, Paragraph 25 of the conference statement says: We welcome the fact that the Republic of Kazakhstan has joined the Nuclear Weapons Nonproliferation Treaty as a state that does not possess such weapons, and highly assess Kazakhstan's positive role in the process of dismantling the nuclear weapons of the former USSR in conformity with the Lisbon protocol.

On the same day Kanat Saudabayev met the foreign ministers of Germany, Greece, Canada, and Turkey. They touched upon topical regional and international problems and bilateral relations, as well as the further expansion of mutually beneficial trade and economic cooperation. The Kazakhstan delegation returned home.

Pressure To Hold General Strike Grows

LD1306161394 Moscow ITAR-TASS World Service in Russian 0748 GMT 13 Jun 94

[Report by ITAR-TASS correspondent Vladimir Akimov]

[Text] Almaty, 13 Jun—A general strike in protest at the uncontrolled increase in fuel prices, which is causing production cutbacks, could be unleashed in Kazakhstan. Enterprises in the Republic's mining and metallurgical sector are in the worst trouble. The staff of these enterprises are being sent en masse on vacations for an indefinite period and, moreover, many have to go without vacation payments being made. The threat of unemployment is hanging over tens of thousands of blue- and white-collar staff in the East Kazakhstan Oblast.

Attempts made by the trade unions to persuade the government to set discount tariffs on the use of energy holders for fuel-intensive industries have come to nothing. At present energy holders have reached 70 percent of the cost prices in the production of titanium, zinc, lead, and other commodities: This has forced the enterprises to set prices for their goods at levels that are higher than world prices.

According to the trade union leader, Kazbek Valiyev, the working people have appealed to the president and the Supreme Council to dismiss the Republic's government.

The collectives of the oblast's enterprises, who have already set up strike committees, have no intention of retracting from the demands they have put forward. If the expected changes do not occur in the next few days, they intend to put forward an initiative for the staging of an all-republican protest strike.

Such an appeal could be upheld in the Republic where, at present, 1200 enterprises are standing idle.

Pavlodar Deputies Issue Appeal on Social Matters

LD1406104294 Almaty Kazakh Radio Network in Kazakh 0100 GMT 14 Jun 94

[Text] Pavlodar Oblast maslikhat deputies of the standing commission for social policy matters adopted an appeal to the Kazakh Supreme Council. It says the oblast inhabitants standard of living is decreasing, food and goods prices are rising unstably, and payments of wages and pension are not paid on time, especially for workers in education, medicine, and culture. It can be interpreted as a great violation of the Kazakh law on labor and pension, of which Kazakhstan has signed the human right declaration. Therefore, it demands the adoption of a decree by the Supreme Council on payment of wages, pension, and benefits. In case of delay in payment, the Supreme Council should also adopt a law to pay additionally for inflation.

Kyrgyzstan

Akayev Meets Local Administrators To Discuss Economy

LD1406102994 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 13 Jun 94

[Text] Yesterday at the house of government President Askar Akayev met heads of oblast, rayon, and town administrations. They discussed economic problems and hardships on the way to the market. In particular, the report presented by Akayev spoke about the poorly thought-out mechanism of settling payments between the branches of industry and enterprises. This negatively affects production and brings about a stop to work in plants and factories. Special attention was paid by Akayev and those who spoke during the discussion to agricultural issues. It was noted that owing to a timely allocation of a soft loan by the government, the spring field works were done in time. The fodder procurement campaign also began timely and in an organized way. Preparation for harvesting is in progress. The participants of the meeting outlined a number of concrete measures to improve work of the industry and agriculture.

Akayev Warns of Dangers of Russian Population Exodus

LD1206195594 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 12 Jun 94

[Text] The emigration of the Russian population from Kirghizia [Kyrgyzstan] is a catastrophe not only for the Republic but for Russia as well, which is unable to receive hundreds of thousands of its countrymen, President Askar Akayev said in Bishkek.

Akayev recognized that the main motives for emigration were socio-political. In particular, the introduction of Kirghiz as the state language had pushed Russians out of many professional spheres. He also did not deny cases of discrimination in the entrepreneurial sphere and displays of everyday nationalism.

In Akayev's view, the outflow of experts from the Republic is causing irreparable damage to the republic's economy. Whereas in 1990 Russians accounted for more than 21 percent of the population, in four years their number has decreased to 17 percent.

Akayev To Meet Slavs; Hopes To Resolve Migration 'Headache'

LD1406085594 Moscow ITAR-TASS in English 0758 GMT 14 jun 94

[Report by ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek 14 June TASS—"It's no ethnic Chernobyl (nuclear disaster) yet, but 'peak hour'", thus President of Kirghizia [Kyrgyzstan] Asker Akayev graphically assessed the state of current migration process from the republic. Akayev intends to find a way out of the prevailing situation during his meeting today with representatives of the Slav diaspora in Kirghizia.

At present the republic's over four million population consists of 56.5 per cent native Kirghizs, but the people of Russian, Ukrainian and Belarussian nationalities account for 21.1 per cent.

Four years ago there were 905.4 thousand Russian-speaking people living in Kirghizia. Now this diaspora has shrunk to almost 170 thousand. The process of migration is gathering momentum everyday.

According to the president, this process can be stopped only by giving official status to the Russian language, and introducing duel citizenship. But both alternatives run contrary to the Constitution of Kirghizia. The republic's present parliament has more than once demonstrated that it does not intend to amend or change the fundamental law. How to find a compromise, stop migration, without arousing a wave of nationalism, this is what is causing the present "headache" to President Akayev.

Government Examines Corruption Charges Against Ministry

LD1406083994 Moscow ITAR-TASS in English 0621 GMT 14 Jun 94

[Report by ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek 14 June TASS—Kirgizia [Kyrgyzstan] has mustered the best forces from among its military prosecutors, security service officers, tax inspectors, and finances [as received] to look into the allegations of corruption inside the Defence Ministry, which appeared in the local press.

Reporter of one of the local newspapers charged the leaders of the Defence Ministry with corruption and the desire to get rich at the expense of the Army. The Defence Ministry responded by publishing a statement saying that the Kanat project, mentioned by the reporter, was designed to help finance the Republic's armed forces.

According to Colonel Isayev, the sale of obsolete military equipment within the frame of the Kanat project earned the ministry about four million U.S. dollars, all of which went to create and maintain the Republic's new army. The army is paid from the state budget less than one fourth of the money it needs to operate normally.

Tajikistan

Former Premier Abdullajanov Facing Corruption Charges

LD1306165994 Moscow ITAR-TASS in English 1506 GMT 13 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 13 June TASS—The "SADO-I MARDUM" daily, an official newspaper of the Tajik parliament, has published a sensational exposure of "anti-popular and anti-state activities" of the Former Tajik Premier Abdumalik Abdullajanov, who is now Tajik ambassador extraordinary and plenipotentiary to the Russian Federation.

The article, which takes up two pages and a half, includes accusations against Abdullajanov for breaking down the country's economy, selling out national economy, scheming with hard currency for the sake of personal wealth and other crimes against Tajik people.

Moreover, the newspaper incriminates Abdullajanov - who was Tajik premier in 1992-93 and who was dismissed at a session of Tajik Parliament in December 1993, according to the official statement, "because he was appointed ambassador to the Russian Federation"—political and economic support of the armed opposition. [passage as received]

The daily clearly suggests that Abdullajanov was mixed up in establishing economic blockade in the southern regions of the Republic during the armed stand-off between the opposition and those who supported restoration of the constitutional order.

The newspaper comes to a significant conclusion: The former prime minister is to blame for the troubles of the Tajik people and must be punished along with the former opposition leaders.

It is not known as yet, how the Dushanbe officialdom responds to the publication. According to a well-informed source inside the Tajik leadership, the response is sure to come. One thing is certain: competent bodies will check on the published facts most carefully, he added.

According to independent sources in Dushanbe, the article was published under the pressure from certain Tajik political forces (Abdullajanov has many foes in Tajikistan).

Despite his resignation, Abdullajanov is one of Tajikistan's prominent politicians and influential reformers; he is regarded in the Russian corridors of power and in Western business circles.

Moreover, it is persistently rumoured here that he is likely to run for president in accordance with a new Tajik draft Constitution.

Though the presidential rule in the republic has to be approved at the forthcoming referendum scheduled for the end of this summer, unofficial campaign for the highest governmental position has begun in point of fact.

Council of Ministers Meets; Appoints Deputy Ministers

LD1306190294 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 13 Jun 94

[Excerpts] The regular session of the Presidium of the Council of Ministers of the Republic of Tajikistan took place today under the chairmanship of Abdujalil Samadov.

Akbar Turayev was appointed first deputy minister of culture and Sherali Hakimov was appointed deputy minister of economy and forecasting.

The concept of the national school of Tajikistan was approved and a decision on reducing the number of working hours of teachers was adopted in the session. [passage omitted]

Similarly, other issues relating to the social and economic development of the Republic were discussed in the session.

Turkmenistan

Niyazov: No Future Without Close Ties With Russia

LD1406084694 Moscow ITAR-TASS in English 0726 GMT 14 Jun 94

[Report by ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashgabat 14 June TASS—"We cannot conceive a future for our selves without close cooperation with the Russian Federation, without mutual fraternal support in all aspects of policy and economy. Friendship with Russia is for us the basic foreign political factor, proceeding from which we determine our positions in international relations," President Saparmurat Niyazov said in a message of greetings to President Boris Yeltsin on Russia's Independence Day.

The message says that having embarked on a path of deep-going reforms the renewed democratic Russia has made it clear to the world that it is a great power which will not succumb to temporary difficulties. "I am confident that the time is not far away when Russia shows the world its own "economic miracle" and regain its might and glory," President Niyazov said.

The peoples of great Russia and Turkmenistan have been bound together by their common historical fate and deep inter-penetration of cultures, as well as by the common tasks facing them now.

"We know that Russia's well-being is a major component of our own independence which we value highly and of our own well-being both at present and in the future," Turkmenistan's president said.

Niyazov also sent a message of greetings to Viktor Chernomyrdin expressing satisfaction with the level of relations between the two countries, as well as gratitude for support which the Russian premier extends to Turkmenistan.

Armenia

President Says 'Presidential Governing' Only Form of Rule

NC1306154294 Yerevan SNARK in English 0958 GMT 13 Jun 94

[Text] Yerevan, June 13 (SNARK)—The presidential governing is the only acceptable form for Armenia, considers the Armenian President Levon Ter-Petrosyan. Speaking to the extraordinary session of the Armenian Parliament which was devoted to the discussion of the project of the new constitution, he said that the parliamentary system may be effective only in those countries where 2-3 powerful parties are established, and one of them takes the parliamentary majority. "Such parties may appear in Armenia only in dozens years. And even if we take we take the parliamentary governing, in some time we will have to come to the presidential governing but at the cost of greater trials", said the president. He also mentioned that Armenia has the unique chance to refuse from offering self-independence to the regions and build the "classic unitary state".

According to Levon Ter-Petrosyan, the official project of the new constitution reflects all the basic principles of the international law to let the republic overcome the inter-political crisis and civil war.

Grachev Sums Up Visit Results

944K1430A Yerevan RESPUBLIKA ARMENIYA in Russian 10 Jun 94 p 1

[Report by Serob Oganyan: "The Russian Peace Initiative Should Be Accepted by All Parties"]

[Text] As already reported, General of the Army Pavel Grachev, minister of defense of the Russian Federation, arrived in Yerevan on 8 June.

Judging by what the minister said, his arrival in the Transcaucasus and, in particular, in Armenia was brought about by three factors. The first—a number of military-political matters, which include the cooperation of the armed forces of Armenia and Russia and the accommodation of Russian military bases in Armenia and the solution in this connection of a number of administrative questions such as the number and location of these bases, has to be discussed with the president of Armenia. It is a question of one or, at the most, two bases, incidentally. The second—in connection with the start of the period of military exercises, the inspection of the Russian military units stationed on Armenian territory. And the third—after the visit to Tbilisi on 11 June, Pavel Grachev will fly to Baku for several hours. This came as a surprise to everyone since the decision was made directly prior to the departure from Moscow. The run-up to events is as follows: Azerbaijani President Geydar Aliyev requested this of Boris Yeltsin personally, and the latter, in turn, gave Pavel Grachev the appropriate directive. The minister himself said that he would attempt in these few hours to finally persuade the leadership of Azerbaijan to accept the Russian peace initiative.

Having stopped briefly at Reception House, the Russian minister set off for the meeting with Levon Ter-Petrosyan, president of Armenia. The talks took place behind closed doors. At the conclusion of the negotiations Pavel Grachev evaluated their results as satisfactory, saying, in particular:

"The most important thing is that we once again obtained from President Levon Ter-Petrosyan confirmation that Armenia wishes to have Russian bases on its territory. We are within the framework of collective security to provide for the security of both Armenia and Russia...."

To a question by your RESPUBLIKA ARMENIYA correspondent as to whether the question of a settlement of the Karabakh conflict had been discussed, the minister replied: "Yes," and continued:

"The Armenian president once again supported unconditional compliance with the agreement worked out in Moscow. I will take these thoughts to Baku, where I shall propose that Geydar Aliyev sign this agreement."

"Will there be negotiations with the Karabakh side?"

"They are not anticipated...."

Yesterday the military inspectors toured Russian military units and by 1600 hours were to have gotten together with their summaries. Pavel Grachev said that it would be decided after this "what to reduce where, and what, on the contrary, to increase." He noted also that the bases quartered in Armenia would not, most likely, be fixed motorized bases but air-mobile bases.

"Levon Akopovich also agreed that within the framework of providing for security it was essential that we create a common air defense system," Mr. Grachev said.

Stupishin on Russia's Role in Armenia

944K1420A Yerevan RESPUBLIKA ARMENIYA in Russian 9 Jun 94 pp 1-2

[Interview with Vladimir Stupishin, ambassador extraordinary and plenipotentiary of the Russian Federation in the Republic of Armenia, by Armen Khanbabyan; place and date not given: "'I Have Felt at Home in Armenia'"]

[Text] [Khanbabyan] Vladimir Petrovich, what is it like for you working in our country?

[Stupishin] Excellent. I have complete mutual understanding with the leadership of Armenia, and there are contacts daily, which is an essential condition for productive work. I should say immediately, incidentally, that there are close relations also between all official authorities of our two states—at the parliamentary, governmental, ministerial, and departmental level. This is making it possible to decide a mass of urgent questions promptly.

What I have just said does not mean, of course, that everything is ideal. Moments of choppiness arise also, but they are quickly smoothed over to our mutual satisfaction, thanks to the fact that there are today no political problems between Russia and Armenia.

The climate for the operation of the Russian Embassy in Armenia is altogether highly favorable. I have felt at home here since day one. And not only among officials, I would say. The attitude toward Russia [word illegible] and toward me personally, as toward all the embassy staff, is [three words illegible] most warm and cordial in all circles of society.

[Khanbabyan] Well, this is good to hear. But certain difficulties also arise from time to time in this connection? An ambassador is exclusively an official, after all....

[Stupishin] There are difficulties. And one of them is that it is hard for some people as yet to get used to the idea that the representative of Moscow is no longer the former "party Gauleiter," to whom it was possible to complain about the local authorities. Some people would clearly like to see me wearing this cap, and this is why some people are today disappointed. They are uncomfortable, as it were, with the absence of a "Gauleiter," with the fact that the times when it was possible to "run down" one's own people have gone, never to return. They would like me to put pressure on the leadership of the republic—de jure or, at least, de facto. Yet the diplomat's job is something else—to contribute to a strengthening and development of diverse and productive interstate relations. This is what we are working for. And some people would clearly like to see the ambassador of Russia "on their side," make him a participant in some internal political intrigues, and link him with some internal collisions. This is absolutely ruled out. I see as my job the realization of the interests of Russia in the host country. Of Russia, not this political force or grouping or the other. I believe that it is to the advantage of Moscow and Russians getting to know Armenia and the realities of the life of its people and their problems better. This will enable them to answer the question, "What do we need Armenia for," and will enable them to identify Armenia and Armenians as their sincere friends. This is the true state interest for both Russia and, I believe, for Armenia.

[Khanbabyan] It is no secret that in a number of republics of the former Union there are organizations of the so-called "Russian- speaking population" that, to put it mildly, are in none too benevolent a frame of mind with regard to the local authorities. It is known also that certain political circles in Russia are endeavoring to make use of these organizations in their own interests, thereby turning them, as it were, into a fifth column threatening the young independence of the new states....

[Stupishin] I am categorically opposed to the inevitable difficulties of a socioeconomic order being experienced in the present transitional period by the new states of the near abroad being used by anyone at all for his own political ends. Manipulating the fate of millions of people by playing on difficulties and resuscitating a bankrupt ideology is the height of irresponsibility. Unfortunately, it is this that "national-patriotic" organizations like, for example, Ragozin's "Congress of Russian Communities" or Barkashov's Nazi Party are doing. I would note that it was at the instigation of the notorious "Congress..." that what is now called the "Russian Community of the Republic of Armenia" appeared in Armenia. Forgive me, but this is nonsense; declaring oneself a community is impossible! A national community takes shape historically and cannot have political characteristics. It is no accident that this notorious "Community" has nothing in common with the "Russia" Society—the largest, mass organization of Russians in Armenia.

I have to say, in general, that the difficulties that are affecting inhabitants of Armenia who are Russian by nationality (and we, the embassy, are endeavoring to the best of our abilities to minimize these difficulties) should and can be overcome only in cooperation with the government and the authorities of the republic. And we are aware of their support.

[Khanbabyan] But there are in Armenia, unfortunately, not only the "Russian Community" but also other, no less odious, organizations and personalities. While not ethnic Russians and having, as a rule, no real idea of present-day Russia and its people, they are insistently attempting, nonetheless, to play the part of that fifth column. I believe that in their unconcealed aspiration to discredit the existing authorities they have as of late overstepped certain bounds, namely, they have attempted to use in their unscrupulous political game the name of the Russian ambassador and to damage the prestige of the Russian state and its leadership. A clear example of this was the publication in GOLOS ARMENII of 2 June of this year. I believe that this publication did palpable damage to Armenian-Russian relations. What can you say in this connection?

[Stupishin] Well, first, I regard the said publication as a cheap and vulgar denunciation and a clumsy attempt to discredit me in the eyes of the leadership of the Ministry of Foreign Affairs of the Russian Federation and our national parliament. But these are idle endeavors. It is not for them to teach the authorities in Russia how they should evaluate the activity of a Russian diplomat.

The GOLOS authors lie when they claim that Russia is their home. Not Russia, merely a particular, and far from the best, part, what is more, of Russian society: neofascists of all stripes, revanchists, political gangsters—these are the Moscow friends of GOLOS ARMENII. This newspaper, which lays claim to the appellation "independent," has publicly taken the part of the most reactionary and most suspicious and regressive forces both in Armenia and in Russia. And I have the impression that the GOLOS authors are simply intoxicated with delight at their political choice. It is not fortuitous that personal assaults and attacks leveled not only against the president and government of Armenia but also of Russia are so frequent on the pages of this newspaper. Although "what is Hecuba to them," it would seem! Only now, finding it necessary to recall my interview of eight months ago, are they, without a moment's doubt, attempting to accuse me of having used "derogatory epithets" in respect to the Russian people—for having after the October putsch in Moscow openly called things by their proper name: gangsters—gangsters, fascists—fascists, and killers and provocateurs—killers and provocateurs. How should I have acted? Put the executioner and victim on the same footing? Treated equally the Barkashovite sniper and the innocent citizen that fell from his bullet? This would be the same as equating in "all-forgiveness" Talaat and Enver and the people they killed.

And what about the constant attempts to "privatize" Victory Day! Disgusting attempts, there is no other way to put it. It is as though these people forget that not only members of the Communist Party, but also peasant toilers ruined by collectivization and true patriots repressed by the regime—in a word, all to whom the fatherland is dear—fought and died for the motherland. And in this connection this article contains also an absolute lie in regard to me and my position. After all, both last year and this year we employees of the Embassy of the Russian Federation participated in conjunction with representatives of the civilian and military authorities of Armenia in solemn ceremonies at the Tomb of the Unknown Soldier and in other activities. And this was a splendid symbol of our friendship, our brotherhood in arms. I cannot imagine how General A. Kazaryan, whose signature stands beneath the publication in GOLOS ARMENII, could have "forgotten" this. It remains to be regretfully assumed that some forces and people who have never been anywhere near combat are cynically using the distinguished veteran—a hero and combat general—in their own interests and shamelessly manipulating his name.

The name of the holiday and its status is another matter. Each state decides these matters in its own way, independently. And the attempt by any methods to compel a diplomat to interfere in the internal affairs of the host country is unethical, therefore.

[Khanbabyan] GOLOS essentially accused you of neocolonialist manners, of allegedly undertaking to "lecture" the local press and public, and in an "offensive form," what is more, in a word, of behaving as the Moscow party emissary—the second secretary of the Central Committee—would not have dared to behave in the former times. But at the same time you are attempting here to play "the part of advocate for a bankrupt regime...."

[Stupishin] I do not know what the authors of the publication mean in speaking about "lectures" and so forth. After all, these people were simply not present at the Yerevan State University when I met the university's professorial and lecturer staff. In the apt expression of Anna Andreyevna Akhmatova, "They were not there." If for no other reason, they are not entitled, I believe, to make evaluations of my words in the course of a meeting or to comment on them. And I did not attempt, incidentally, to lecture anyone; I answered the questions put to me. It is GOLOS that is constantly attempting to lecture everyone, in the most pushy fashion, what is more, shifting the whole blame onto others, distorting the facts, and taking out of the context of a speech individual words and expressions, as they did, for example, in respect to my words concerning the possibilities of a solution of the Karabakh crisis. They probably greatly disliked the fact that I passed a comment on their newspaper without any great enthusiasm. Excuse me, but this is my right, the right of a reader. And, as ambassador, I may say objectively that many of the publications in GOLOS ARMENII, particularly that of 2 June 1994, do not contribute to the strengthening and development of Russian-Armenian relations and are sowing between the two peoples grains of hostility, hatred, and suspicion. Nor do they in any way serve a civilized solution of the tragic Karabakh conflict.

[Khanbabyan] Sowing hostility, hatred, suspicion—this is altogether highly characteristic of publications that adhere to neofascist, nationalist positions....

[Stupishin] Yes, this, by all accounts, is precisely how they understand political struggle. They speculate on people's ignorance, their insufficient knowledgeability. And I can say plainly that many urgent matters for Armenia are being tackled today with the help of Russia precisely because a high level of mutual understanding has come about between Moscow and Yerevan. The Government of Armenia has no need of advocates, but, knowing the true state of affairs, I am duty bound to emphasize that the president of the republic and the parliament and the Cabinet of Ministers are doing everything possible for the continued development and intensification of bilateral interstate relations. And people like the GOLOS authors, although swearing their love for Russia, are in practice doing everything to hinder this work, since for them the worse things are, the better. They are, alas, giving no serious thought to the needs of their people and their true interests.

[Khanbabyan] The licentiousness, in the full sense of the word, that GOLOS ARMENII has been demonstrating constantly as of late in its evaluation of phenomena and individuals would seem to me personally to be a consequence, frankly speaking, of a not entirely comprehensible timorousness on the part of the law....

[Stupishin] Democracy should be defended, of course. This is axiomatic. Otherwise, it degenerates into license, chaos, and anarchy, that is, things that are the direct opposite of freedom. But the whole point is that both with us, in Russia, and with you, in Armenia, democracy is still very young, still in diapers. And we are all only just learning democracy as yet. Learning how to defend it included. It is our inexperience of which publications like GOLOS ARMENII are taking advantage. They frequently abuse each and everything without proof and falsely, but with impunity here, and do they forget, in addition, to shout about the lack of "true freedom." It is easy to appear intrepid and high-minded if you know full well that there is no threat to you from this. A convenient position, there is no denying. Convenient, but, essentially, harmful and unconstructive. And simply unscrupulous also.

I would say this: God is their judge. And as far as the "timorousness of the law" is concerned, I repeat: It is not the business of an ambassador to interfere in intrastate matters. You yourselves and you alone must decide to what extent this publication or the other of GOLOS and its ilk are in keeping with the requirements of the press act and other laws of the Republic of Armenia.

Azerbaijan

Chairman of Parliament Urges Peaceful End to War

LD1306142194 Moscow ITAR-TASS in English 1343 GMT 13 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 13 TASS—Azerbaijani parliament Chairman Rasul Guliyev called for peaceful settlement of the conflict with Armenia over the disputed enclave of Nagorno-Karabakh.

In an interview with Armenian television on Monday, Guliyev said that all occupied territories must be freed and the sides involved should begin negotiations in order to determine Nagorno-Karabakh's status.

Guliyev stressed the need to find ways of economic integration. "We are bound to live together. We must not fear each other or fight each other," Guliyev said.

He believes that as soon as normal economic relations are restored, "our people will forget the war in six months."

Aliyev, Grachev Discuss Conflict, Russia's Interests

NC1306204394 Baku TURAN in English 1658 GMT 13 Jun 94

[Text] Baku, June 13 (TURAN): "The leadership of the republic sees the results of the meetings and talks with Russian Defense Minister, Pavel Grachev, as fruitful and useful", the State Advisor, Gabil Guseyinli, told TURAN.

The same source reports that on June 11 during the talks, the Azeri President and Russian Defense Minister discussed military cooperation within the framework of the Collective Security Pact.

Pavel Grachev spoke about the need for cooperation between military personnel of both countries and promised to contribute to the creation of the Azeri army.

Discussing the Armenian-Azerbaijani conflict, Pavel Grachev said that he recognizes the territorial integrity of Azerbaijan and considers Nagorno-Karabakh a part of it. During the talks, the Grachev wished that Baku take into account the strategic and military intersts of Russia in the region. The Azeri President said that Russia's military leadership should use its opportunities and authority to reach a peaceful and diplomatic settlement of the Armenian-Azerbaijani conflict and the liberation of all occupied- territories by the Armenians. Sources from the Presidential staff of Azerbaijan report that the introduction of the Russian peacemaking forces in the conflict region was not a major part of the discussion. However, Grachev and people close to him, repeatedly stated the necessity to introduce Russian peacemaking forces in the conflict region.

Agreement Says Radar Station Remains Under Russia

NC1306204694 Baku TURAN in English 1658 GMT 13 Jun 94

[Text] Baku, June 13 (TURAN)—"The Gabala Radio-Locator station remains under Russia's jurisdiction and it will be used within the framework of the CIS Collective Security Pact", said the head of Azerbaijan's Defense Ministry, Azad Alizade, to TURAN.

On June 11, Pavel Grachev and President Aliyev concluded a preliminary agreement on this matter. "A principal agreement will be worked out by specialists of both countries and after that a final document will be signed", said Alizade. The same source said that the staff of employees of that station will include Russian military personnel and a few Azeri soldiers.

Another source from Azerbaijan's Defense Ministry told TURAN that Russia will use the radio-locator station free of charge and in exchange, Moscow has allegedly promised to "make other concessions to Azerbaijan in military affairs."

The Gabala radio-station was built in 1982-84 and it is the most powerful station in the south of the former USSR. It is used to observe the launching of ballistic missiles.

'Free' Use 'Likely' for Russia

LD1406114194 Moscow INTERFAX in English 1027 GMT 14 Jun 94

[Text] Russia is likely to use the Gabalinskaya radar station free in exchange for concessions in other areas to

Azerbaijan, where the station is situated. A reliable source in the administration of the Azeri president told Interfax about this preliminary understanding reached during Pavel Grachev's visit to Baku on June 11.

The source said that if the talks on the Gabalinskaya station are a success and interests of both sides are taken into account, the station will be operated only by Russian military personnel.

The source said that after an understanding is reached in principle, experts of Russia and Azerbaijan will draft the text of a document.

Headquarters of President Aliyev's Party Attacked

NC1306204494 Baku TURAN in English 1658 GMT 13 Jun 94

[Text] Baku, June 13 (TURAN)—The employee of the "Yeni Azerbaijan" Party's Central Apparatus Akhliman Tagiyev told TURAN, that head-quarter of the party was attacked at night on June 12. The entrance of the head-quarter was shelled by machine guns by unknown people.

Tagiyev noted, that Rafael Allakhverdyev, major of Baku, the Head of Police Office and the heads of legal force bodies of Yasamal district in Baku visited the place of incident. According to him, the case was brought to trial and investigation is being held now.

According to Tagiyev, the watchman of the building is under suspicion (a student of Baku State University). Some hours before the incident he left his working place.

According to Tagiyev "it was the act of diversion against the president of the country, Geydar Aliyev, the chairman of the Party".

Former Presidential Candidate Profiled

944K1400A Baku MOLODEZH AZERBAYDZANA in Russian No 11, 9-16 Jun 94 p 2

[Article by Bagif Efendiyev: "Sketches for a Portrait. Who Is He?"]

[Text] One might say that all of Azerbaijan has heard of Zakir Makhmudovich Tagiyev. He was a candidate for the post of president of the republic in 1993. He is chairman of the Veten Adzhagy Party (previously—Gummet). He is simply a billionaire. He is president of the Tarana firm. He is the author of the economic program for revival of Azerbaijan. This program has now been brought up for discussion in the National Assembly. But...

But it was written even prior to that, two years ago, during the summer in some beautiful little corner of Azerbaijan. In the apt words of Mr. Tagiyev, Azerbaijan is the center of the universe. This is why Russia, Turkey, Iran, England, and even the United States are hankering after the ancient and rich land of Azerbaijan. Not to mention the hostile Armenia. It is Armenia's misfortune that it began a battle for Azerbaijani land, as Germany did against Russia in its day. God has always been with us because our people live according to the divine laws of goodness, kindness, and amity. And any aggressor, especially the unhappy and pathetic Armenians, is living according to the laws of the devil, Iblis—the eternal enemy of God and Man....

The war will not last forever. It will come to an end. And then it will be necessary not only heal the wounds but also to feed the people, build houses, and develop science, sports, and culture. Without an economic base there can be no culture—this is one of Mr. Tagiyev's aphorisms. The main task now is to carry out radical economic reforms. But there should be no radicalism in politics. Let there be leftists and rightists and centrists. But 90 percent of social life must consist of economics, 7 percent—of politics, and only 3 percent—of foreign policy. That is what Zakir-bek thinks. And it is true! Look at what the independent states of the former, now collapsed, USSR are engaged in. Russia: Yeltsin's fight against the opposition. Ukraine: the president's fight for the Black Sea Fleet. Kazakhstan: the fight for Baykonur. Belarus: the fight to defeat Shushkevich. Moldova: Snegur and the Dniester region. Georgia: Shevardnadze overthrew Gamsakhurdia, but Ardzinba appeared in Abkhazia. Uzbekistan: Karimov is successfully suppressing the opposition. Kyrgyzstan: The fight for power is still going on. Turkmenistan: Turkmenbashi is reinforcing his personality cult. And then Azerbaijan and Armenia are fighting over Karabakh....

Let us imagine for a second what would have happened if the money lost on political fighting or war had been used for economic development. There would have been an economic miracle in the CIS long ago. But no, everyone is infected with the bacilla of political fighting. They all want to become presidents, rulers, and masters, forgetting about the destinies of the peoples, about the standard of living of the simple people, who have ended up on the brink of poverty and are waiting for a political miracle!...

But there has never been such a thing in the history of mankind...and thank the Lord God and Almighty Allah that there are people who are thinking about economic revival! It is curious that Zakir-bek's program received a high rating from such luminaries of economic politics or political economics (however you wish) as Shatalin and Yavlinskiy, who are highly respected in the world.

The path to revival and entry into the market economy passes through capital. And the more people who are drawn into economic development, the richer the society will be and thus every person who makes up this society. And if Mr. Tagiyev two years ago asked the question in his work "What to do?", now he knows how to save us from the economic crisis that is getting worse with every leap of the dollar. The growth of prices has brought people to the point of spiritual degradation: They lie and deceive the new-fledged "businessmen," treat relatives like enemies, and brother turns against brother for a piece of land, for a small area of property, and the most audacious and bitter people assert that war is advantageous not only to Russia or Armenia... Tagiyev's program for entering the market has been approved by the Social Liberal Party of Russia and several business academicians in Kazakhstan. It makes up the economic parts of the programs of several parties in Azerbaijan, but for some reason we do not see it here in our republic. AZERTADZH was still even naive enough to refuse to print it, saying that there were too many parties and too many programs. Yes there are indeed too many programs. But not to see the advantages of Mr. Z.I. Tagiyev's economic program is ridiculous to say the least. Just one part of it, pertaining to the protection of mothers and children, makes it worthwhile. Have we read many concrete programs for social protection of children and women?

Whoever loves children loves God and whoever respects women respects the Most High! Incidentally, to the question of whether the esteemed Zakir believes in God and how his attitude toward the Most High is reflected in the program, he answers instantly: Allah will help us and bless us for serving the people...in principle this question might not even have been asked—journalistic curiosity got the better of me... It is sufficient to listen to a couple of minutes of Mr. Tagiyev's discussion with a refugee, a worker, an intellectual, a businessman, or an academician. Goodness and kindness simply radiate from him. He has a rare ability to understand and sympathize with the person with whom he is speaking; all the latter has to do is open his mouth! This is a true sign that he is constantly thinking about the future, about people first and then about himself! In order to understand this you yourself have to be without selfish egoism....

The construction of that which will produce fruits in a year has been conceived now. I do not want to get ahead of events. We have adopted the practice of not noticing the success of another and scoffing if what they plan does not come to pass. But to imagine, for example, the existence of a sugar refinery in Azerbaijan is almost a fantasy. We are not Cuba or even Ukraine. But if Zakir-bek is certain that there will be such a plant, then there will be one!

It is impressive that Zakir Makhmudovich is gifted with respect to all components of human existence. One can only envy his patience. One can only be amazed by his ability to sympathize and understand people. His ability to penetrate to the essence of things without a lot of verbiage and tedium is in general apparently his main talent. And also his wisdom—not so much acquired as innate. He is clearly aware that if you lose two you will receive 20! If you make those around you happy, happiness will not abandon you. If you give confidence to another, success will not leave you. The Most High does indeed love Zakir-bek. And perhaps Allah loves those with whom Mr. Tagiyev himself communicates. In any case the phenomenon of Zakir Tagiyev has still to be understood and revealed. After all, many are not yet aware of the phenomenon of Zeynalabdin Tagiyev! And these symbols are not random: Z. and T., for many people are called by the name of the world-renowned patron Hajji Zeynalabdin Tagiyev. And many assume the name of the great patron themselves. But so far none are worthy. And, to be honest, I would not want to name Mr. Zakir Tagiyev or compare him to his initial namesake whom he resembles. In my opinion, he is a personality in and of himself and in time others will be compared to him and be said to resemble him, people who while increasing capital do not forget about God and, the main thing, about people or, vice versa: They do not forget about people and, the main thing, about God!

But still, why does my title contain the question: "Who Is He?" The reason is as simple as can be: Zakir-bek has a major secret about which the time has not yet come to speak. Perhaps he himself guesses about it intuitively. Not many people know about it. Whether or not I know is also a secret. But as a respectable journalist I promise to write about the secret. When? Only the Most High knows about that. And when He allows it, blesses it, then I will write it. Of course, with the permission of Zakir Makhmudovich Tagiyev himself.

Georgia

Prime Minister Wins Election in Zugdidi

LD1306142794 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 13 Jun 94

[Text] Elections to the Georgian parliament were held yesterday in the western Georgian rayons of Zugdidi, Tsalenjikha, and Chkhorotsku. Our correspondent reports that preliminary information suggests that in all three rayons the turnout was above 60 percent. Preliminary information also suggests that Zugdidi candidate [and Georgia's Prime Minister] Otar Patsatsia received 70 percent of the votes, Chkhorotsku candidate Avtandil Tkebuchava received about 50 percent, and Tsalenjikha candidate Valeri Chanturia received more than 51 percent. The final results will be known later.

Official Claims Elections 'Violation'

NC1306200394 Yerevan SNARK in English 1330 GMT 13 Jun 94

[Text] Tbilisi, June 13. (SNARK)—By-elections to the Georgian Parliament, which took place on June 12, passed with gross violation of the Law on Elections. Such declaration was made today by Vice-speaker of the Georgian Parliament Vakhtang Rcheulishvili. He informed SNARK of the facts which put in question the legitimacy of the elections. The Chairman of one of the Electoral Commissions and his Assistant had to leave their places to save their lives. Serious collisions took place at some election districts, at two of them arms were used. The candidates began blaming each other in using military detachments to get additional votes.

Mr. Rcheushvilli said in the towns of Zugdidi, Chkhorotsku and Salendzhikha 60-65 per cent of all the voters took part in the elections, when in Rustavi - only 10 per cent.

"Presumably, the Central Electoral Committee will find illegal the results of the by-elections in the towns of Western Georgia", declared the Georgian Vice-speaker.

Shevardnadze Interview on Weekly Events

LD1306134994 Tbilisi Radio Tbilisi Network in Georgian 0608 GMT 13 Jun 94

[Interview with Head of State Eduard Shevaradnadze by Nato Oniani; place and date not given—live or recorded]

[Excerpts] [Oniani] Good morning. We are presenting the chairman of the Georgian parliament and head of state, Eduard Shevardnadze's radio interview. Batoni Eduard, Russian Defense Minister Grachev's visit to Tbilisi was apparently the past week's major event. Yet another concrete step was taken in the handling of the Abkhazian conflict.

Considering recent developments could you please give yet another answer to a question you have been asked before. How interested is Russia in the settlement of the Abkhazian conflict, I mean the Russia that celebrated the day of the declaration of its sovereignty yesterday and has just begun to apprehend its sovereignty and independence? You have also answered the next question before but it is more interesting to hear an answer today: Could this kind of settlement of the Abkhazian issue cause irritation in the West and especially in the United States?

[Shevardnadze] Thank you. Good morning. With regard to Russian Defense Minister [Pavel] Grachev's visit to Georgia, you know that I highly appreciated it especially because apart from this visit there were two rather significant telephone conversations with the Russian president, one at the beginning of the visit and the other after it. As you know, Mr. Yeltsin has already issued a edict on the deployment of peace-keeping forces in Abkhazia. In our second telephone conversation he confirmed that by signing the document he showed his understanding of the seriousness of the obligations Russia and the CIS are taking in providing assistance pertaining to this mission.

The UN Security Council is to meet soon. Provided the Security Council passes a resolution on expanding the mandate of its observers to which Russia's consent already exists, we shall be seeing quite interesting developments. The very deployment of troops will be related to preliminary measures on mine-clearing on roads, crossroads, bridges, and simply in a certain area and this is rather a laborious and risky job. This work, I mean the deployment of the troops, will apparently begin on the 15th or 16th [month not stated].

I have said that we are dealing with a very interesting case. Why? One on hand, we have the CIS and Russia's peace-keeping mission as a regular organization, and on the other hand, a powerful institute of UN observers and the [UN] Refugee Commissioner's office whose activities will constitute a significant factor. Thus, the CIS, the Russian troops with a peacekeeping mission, the international control, and a very important team from the Refugee Commissioner's office which will provide refugees returning to their homes with as much material and financial assistance as possible.

For a country in our situation, this is an optimum variant. I would say an optimum and, taking into consideration this factor, an interesting variant.

I had three substantial and rather lengthy talks with Grachev. We considered almost all aspects of our relations including the situation in Caucasia through the spectrum of Russia and Georgia. We considered the present situation in the Georgian armed forces and the situation in the Russian troops stationed in Georgia. I have to say that they are grateful to the population of Georgia and the authorities who created normal living and service conditions. We have also considered important issues of mutual relations, especially Russia's participation in the building of Georgian armed forces. You may be well aware that without that we will not be able to create our national army.

We have often emphasized that Russian-Georgian cooperation and mutual agreement by no means contradicts the interests of other countries. On the contrary, it is directed toward peace and stability in Caucasia and even a broader region. In my opinion, stability meets the interest of Georgia as well as Russia and other countries. This was the topic of my telephone conversations with Mr. Boris Yeltsin. These conversations were a logical continuation of positive moves in Russian-Georgian relations which started after the Russian president's visit to Tbilisi.

As for the final part of your question, I have already said that a unique pattern of the settlement of a conflict is being created. [passage omitted] We can see the cooperation, mutual understanding, and mutual respect of Russia, the CIS, the Western countries, Georgia's friends [words indistinct] including the United States. In the event the plan is implemented, I think this experience will acquire great significance for the future, for the settlement of other conflicts.

Speaking of irritation, I consider this unfounded. I was gravely concerned by symptoms of confrontation between the United States and Russia which were seen recently. Fortunately, the leaders of the two states demonstrated sufficient wisdom and prudence to prevent these symptoms from transforming into real confrontation. The situation is quite normal at the moment and these two great states act in an atmosphere of mutual understanding. The settlement of the Abkhazian conflict may become a model for the implementation of new international relations. To speak of changes in a post-cold-war period, this may become a concrete and very characteristic example of the cooperation of the international community in handling a conflict. I also pin great hopes on UN Secretary-General Butrus Butrus-Ghali [words indistinct]

[Oniani] Batoni Eduard, last Sunday could be described as a day of elections. Despite the fact that certain circles expected something extraordinary from the elections, they were held in a calm and normal atmosphere in Zugdidi, Chkhorotsku, and Tsalenjikha. On the other hand, there were certain excesses in Rustavi. Grave violations were observed. Unsealed boxes containing papers were brought to some polling stations. Armed units appeared in the city and they exerted pressure on voters and even on members of the electoral commission. The chairman and some members of the commission were forced to flee from Rustavi and arrived in Tbilisi. This abnormal situation was observed in Rustavi at about 1800.

[Shevardnadze] The elections in Samegrelo, with such an active participation of voters—according to official reports over 60 percent of voters came to the polling stations [words indistinct]—were a great success. I would like to thank the citizens, the authorities, the electoral commissions of Zugdidi, Chkhorotsku, and Tsalenjikha as well as the Committee for Emergency Situations in western Georgia. [passage omitted] I congratulate all the elected candidates. [passage omitted]

As for what happened in Rustavi, this is very regrettable. However, I am not pessimistic. This event could be considered as a lesson for the citizens of Rustavi as well as for all of Georgia. [passage omitted] Unfortunately, the day of elections turned out to be very difficult. I want to draw one conclusion from this case. I am saying this for everyone to hear and everyone should consider it for the future. When money and force govern elections, elections have nothing to do with democracy [words indistinct]. This must be taken into consideration by all parties, all political forces, and all who intend to participate in elections in the future. This must be remembered by all. [passage omitted] The citizens of Rustavi and the electoral commission will be able to look into the case and make the appropriate decisions. [passage omitted]

[Oniani] In your previous interview you said that materials about the illegal activities of political parties and officials would again be published in the press. Certain facts were made public last week, too. Now, if we draw certain conclusions from those and previous publications and assemble the links into a chain, the question of who will be next arises. This question arises also because the scale of corruption indicates that it is not only one or two people who are involved in this criminal activity. There are indications that the topic of a struggle against organized crime and corruption will be given priority at tomorrow's parliament session. Last week, your address to the parliament was made public. The address called for drafting laws and adopting measures to fight this kind of crime.

[Shevardnadze] I do not know what the parliament will discuss tomorrow but I would say that the publication of individual facts should be welcomed. [passage omitted]

The main point is to create a system of fighting against corruption. It is essential to ensure state control and coordination of the system, to create a legislature taking into account all the changes that have occurred in recent years. [passage omitted]

I appealed to parliament to expedite the drafting of laws and make decisions on the fight against crime, and I hope they will do it as they did with drafting economic laws whose effects and signs of implementation we can already see. [passage omitted]

[Oniani] Processes that have been under way in our republic lately are a cause for optimism. Several important documents have been issued. An idea has been initiated in Kutaisi in connection with strengthening the coupon. They have created their own methods. The edict regarding the savings bank is also of a great importance. You have already talked about this but I think there may be some news about that because the process has started.

[Shevardnadze] I am grateful that you brought this issue forward. I would like to express my ardent support for everything done in Kutaisi. This is an autonomous way of managing a city, its economic and financial spheres. [passage omitted] I issued a special edict which gives the Kutaisi leadership more rights and possibilities to make large-scale decisions on certain issues. I have to say that the Kutaisi authorities have interesting plans about how to make the coupon stronger, although some people might say that it seems very difficult to imagine how this can be done in an individual city. [passage omitted]

I also issued an edict granting the Tbilisi mayoralty expanded rights and I can already see how the city has changed. We can speak of the city's artistic and creative life and many other things and all these result from conferring the right to take an initiative to the local authorities.

Taking into account the slight easing of the situation, I can say that the time has come for bold experiments. In this connection I would like to thank you for reminding me of the issue of the savings bank. It is a great thing as an experiment. This was initiated by the president of the bank together with his colleagues. [passage omitted] What is the point [of the savings bank experiment]? The point is that banking is being transferred to a market economy. Depositors are becoming shareholders, or rather owners of the bank. When the bank's president suggested that the state should reduce its share to the minimum in favor of depositors, I agreed to the idea. In this case a depositor becomes not a simple shareholder but a serious owner. [passage omitted]

Shevardnadze Independence Day Speech

AU1006162894 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 26 May 94 p 1, 2

[Speech by Head of State Eduard Shevardnadze on 25 May to commemorate the anniversary of Georgian independence; place not given: "Let Us Build a New Independent Democratic Georgia"]

[Text] The date 26 May has entered into 20th century Georgian history as the anniversary of national independence. For the Georgian people, this date represents the apogee of one of the great historical stages of the centuries-old national-liberation movement and, at the same time, is an eternal symbol of the restoration of the Georgian sovereign democratic republic and Georgian statehood.

On this day, Georgian statehood was restored.

Today, on this great anniversary, I congratulate all Georgia's citizens.

The Georgian nation has created one of the oldest civilizations in the world. The history of Georgian statehood goes back to time immemorial. Therefore, it was wholly logical that a new Georgian democratic state and a new Georgian constitution should be born and the renaissance of the Georgian soul firmly established at the end of the 20th century.

We are celebrating 26 May this year in a particular concrete historical situation. Different forces assess this situation in different ways. However, there is one truth that cannot be disputed: Today, we are at the stage of a critical development of a democratic state and society; more precisely, at the transitional stage from crisis to stability.

In this situation, in spite of the difference of views, the domestic and foreign policy of the Republic of Georgia, Georgia's geopolitical location, and its role and significance in the Transcaucasus and the Caucasus, Near Asia, the Black Sea region, the CIS space, and throughout the whole world are being increasingly strengthened and improved.

Georgia is today a full-fledged member of the community of peoples of the world.

During the last two years, many historical trends have taken shape that correspond to the impulse of 26 May. Today, I would like to emphasize only some of these.

In the **economic** sphere, the process of dismantling the totalitarian economic system of reforms and establishing a market economy has become irreversible, a process that is being steadfastly implemented by the state system—the Cabinet of Ministers, parliament, and local municipal bodies of power and administration.

A fundamental governmental anti-crisis program and social and economic development programs up to the year 2000 have been elaborated on the basis of an edict of the head of state.

Following the edict of the head of state and discussion on a wide scale, the national program for overcoming the crisis was approved by a decree of the Cabinet of Ministers.

This program was assessed positively by the IMF, the World Bank, the European Bank [for Reconstruction and Development], and many other international organizations that have promised us help in implementing it.

It is now important that the program is transformed into reality.

We believe that the formation of a market economy signifies faithfulness to the ideas of 26 May, the creation of a free autonomously functioning economy, and the basis for political, constitutional, and state independence.

The bodies of state power—the government and parliament—are implementing planned special measures in order to strengthen the exchange rate of the coupon and carry out financial and economic reforms in the banking system.

Unfortunately, inflation and hyperinflation and other negative factors are hindering the efficiency of economic reforms.

Taking into account historical genesis in the sphere of reforms, we have an extremely interesting picture.

Inflation and hyperinflation in 1918-21 [years of Georgian independence] undermined the economy of the first Georgian republic and its monetary unit, the boni.

Unfortunately, in our contemporary republic as well, the temporary monetary unit—the coupon—is having a difficult time; the paralysis of the economy is the principal reason for its devaluation.

It seems that it is not so easy to form a national currency, national finances, and a national economy. It was difficult at the beginning of the 20th century and is likewise difficult today at the end of this century.

However, the main thing is that we have the basis for social and political optimism. I am sure that, in a year's time, when an independent democratic Georgia will again be celebrating the national holiday of 26 May, we will be faced with a different picture in the national economy that will have already been considerably revived.

This will be facilitated by the implementation of a wide-scale anti-crisis national program, balancing the budget, financial reform, the creation of a state treasury, wide-scale privatization, the formation and development of small, medium, and large business, our alliance with the IMF, World Bank, European Bank [for Reconstruction and Development], CIS, and countries in the Black Sea basin, credits and investments and humanitarian aid from other international organizations, the United States, Germany, France, Ukraine, Russia, and many other countries, and other types of economic relations that are being formed on the basis of a market economy and the principles of international law.

The state and private sectors of the economy will exist in the transitional period, but both sectors will function only according to market principles; monopoly will be excluded and free competition and free enterprise and commerce will be firmly established.

These will be some of the principal directions of our economic strategy.

Taking into account the achievements of national and contemporary world civilization, **political** strategy and state reforms have been implemented during the last two years with a mixed degree of success and in the face of resistance, but always along a firm democratic course and inspired by the ideas of 26 May.

We frequently say that the contemporary Georgian republic is the successor of the first Georgian republic of 26 May 1918 and this thesis is correct. This political formula is manifested, first and foremost, in our devotion to the ideas in the 1921 Constitution and to its essence.

The constitutional law on power and the 1921 Constitution are in force today. However, these two fundamental documents are unable to fill the "constitutional and legal vacuum." They require amending and improving, taking into account Georgia's dynamically changing internal and international situation and the achievements of national and world constitutionalism.

The interests of state construction and political strategy call for an improvement in the structure, functions, and activities of parliament, the government, ministries, departments, and central and local bodies of power.

New steps need to be taken in the branch of state reforms.

During the last two years, in accordance with the demands of democratization, constitutionalism, and the specific nature of the transitional period, parliament, the government, and local administrative structures have changed and all such changes that have been carried out have been based upon the interests of the people.

The Georgian Parliament is the symbol of 26 May, of national and state independence and freedom and democratization and no matter how difficult and complicated it may be to administer its activities, no matter what kind of crisis it involves, we have to tolerate and improve its activities. I firmly believe that the future path of the nation will run along the foundations of democratic development.

Parliament has adopted many laws. The market economy, a rule-of- law state, and a civic society are acquiring a solid legal base.

At the same time, all factions in parliament, the opposition, and the parliamentary majority or minority should be aware that national energy and intellect and the nation's ability and spiritual culture should not be wasted aimlessly; it should have more constructive pathos than it has today.

Unfortunately, the contemporary stage of parliamentary development, at times, assumes a destructive character; there are often confrontations and violations of regulations and parliamentary ethical norms.

There is no need for confrontation between different branches of the national movement and political duels between factions in which forbidden ploys are used. History assigns everyone and everything to his and its proper place.

We should make a distinction between the oral declaration of national statehood, on the one hand, and its real construction on the other.

It is necessary to implement constitutional reforms.

Let us begin by examining either the whole or parts of the draft constitution.

According to the new Constitution, a new parliament and a system of executive power will be created and judicial power and local municipal bodies of administration and power will be formed alongside legislative and executive power.

One of the main events during the last two years has been Georgia's entry into the CIS; the beginning of the building of new relations with Russia.

Joining the CIS is necessary for Georgia so that it can attain in reality precisely the ideals of 26 May.

Without joining the CIS, it is impossible to overcome the economic crisis and settle ethnic conflicts and restore the country's territorial integrity. Therefore, no matter how unpopular the adoption of this or that decision may be, if the necessity of its adoption has been scientifically substantiated, the state and the government should adopt such a decision and patiently explain to the people the correctness of that decision. This action is dictated by historical inevitability and national interests.

Joining the CIS does not mean in any way that we will be paying less attention to the development of relations with western countries, the United Nations, the IMF, CSCE, the European Union, the alliance of Black Sea countries, and other international organizations.

Our country is and will be an independent, national, and sovereign state.

The social sphere and the social protection of citizens is the most burning issue confronting our reality.

Man is the measure of everything. Man is the supreme philosophical and political value. This forms the very basis of our democracy and humanism.

Therefore, care for the individual necessitates the creation of a humane rule-of-law state and civic society and three basic directions form the cornerstone of our policy: a market economy, a rule-of-law state, and a contemporary civic society.

Democracy, freedom, sovereignty, and the supremacy of the Constitution and the law—this is our path toward the future.

All this is being created for man; therefore, the protection of man's civil rights, including social rights, at the level of the demands of contemporary civilization, is our most important task.

Unfortunately, today, we have a budget that is not balanced and a catastrophic budget deficit. By covering the deficit with bank credits, we are causing a further deepening of the economic and financial crisis.

The appropriate social funds and a different environment providing effective infrastructures have not been created.

Therefore, it should be clear that the social protection of the population is greatly lacking. Alongside hundreds of thousands of unemployed, we have up to 300,000 refugees and displaced fellow countrymen. They need to be looked after and helped, but we do not have enough provisions and resources.

The humanitarian aid sent by our foreign friends is a factor of great significance, but it is impossible to live in constant hope of charity. There are also deficiencies in the distribution of this aid; we are implementing emergency measures to eradicate these.

Ninety percent of the republic's population is living below the poverty line. The coupon has almost lost the function of money and, in conditions of inflation and hyperinflation, wages, grants, and pensions suffice for only two or three days. The main thing now is to resolve the problem of the national currency, improve finances, emerge from the economic collapse, resolve the energy problem, be prepared for next winter, and provide the essential minimum for the population. It is precisely this that is our main concern.

Central and local authorities and administrative bodies **have elaborated an extensive national security program** that is acquiring a new content. This means not only maintaining a basic standard of living but also improving the quality of life in the future.

Today, however, at the present stage, it is necessary to overcome the danger of starvation and poverty and ensure that the population is provided with the minimum amount of consumer goods.

A new system of national security signifies that the nation, the state, and each citizen is provided with political, legal, economic, financial, demographic, ecological, military and many other types of protection.

Certain achievements have been attained in strengthening our defense capability, forming an army and navy and border and internal troops, and in their combat, professional, and moral training.

Georgia's defense capability has been considerably strengthened following its entry into the CIS.

The CIS and NATO member countries will help us in the creation of our Armed Forces.

At the present stage, the Ministry of Defense and the command nucleus of the Armed Forces have been changed and strengthened; the new cadres have been supplemented with general officers and an officer corps; conscription call-up is proceeding better; national military and naval academies have been opened; an experienced general has been appointed as new [defense] minister; a large part of the bandit armed formations have been disarmed and the disarming of other formations is continuing; a single modern army and navy are being created that will be subject to a single military doctrine and iron discipline, and directly subordinate to the defense minister and the commander in chief of the Armed Forces-head of state.

Not only the Army, Navy, and border troops but also the other power structures of the state are developing dynamically and growing in strength; the Ministry of Internal Affairs and the State Security Service are improving their activities and also the Ministry of Justice, the court, and the Procurator's Office that represent the strong backbone of state power.

The new Constitution will form a new system of power structures—ministries and departments—at a more democratic and civilized level; it will improve further their combat ability and efficiency.

Judicial power is being formed on the basis of the new Constitution. Judicial reform is being implemented. This will be a big step forward along the path of the division of power and the construction of democratic institutions.

As a result of the effective, comprehensive, and integrated functioning of power structures, it has been possible to prevent a wide-scale civil war, defuse to a certain degree the criminal situation, disarm criminal bands, and strengthen the struggle against such particularly dangerous crimes as murder, kidnapping, rape, theft, burglary, banditry, armed robbery, drug addiction, the drugs business, and so forth.

All of this does not have only legal and criminal significance. Stability creates the preconditions for attracting capital from abroad and its effective investment in the Georgian economy. This requirement is demanded of us by all serious businessmen, bankers, financiers, and investors in the world who are attracted to Georgia by favorable conditions that have already been created in legislation, a relatively cheap work force, completely unexploited resources, and a whole range of other factors.

From the point of view of adopting a new constitution, state- territorial organization, and economic development, **the settlement of ethnic conflicts acquires vital importance,** as does the restoration of Georgia's territorial integrity.

During the last few months, many things have been done to settle the Abkhazian conflict by peaceful means.

One should point out the certain positive results of the bilateral Georgian-Abkhazian negotiations in Geneva and Moscow, the efforts of the UN and the Security Council, and the positive role played by the CIS, the Russian Federation, and a number of other states in resolving the Abkhazian conflict. We have seen a turning point and change in favor of Georgia's territorial integrity and the restoration of Georgian constitutional jurisdiction on territories that have been temporarily occupied. In the near future, there will be the first big flow of refugees and persecuted fellow countrymen returning to Abkhazia under the aegis of the United Nations and with the constructive participation of Russia.

CIS member states and the Russian Federation will fulfill an even more constructive role regarding this problem.

The so-called "South Ossetian" conflict in Shida Kartli [area of Georgia historically comprising six regions into which South Ossetia was reincorporated under its historical name of Samachablo by the government of ex-President Gamsakhurdia] needs to be resolved. Conditions have now been created for political and diplomatic activity; the Georgian-Ossetian conflict will definitely be resolved taking into account the interests of Georgians and Ossetians.

I would not say that the world today is divided into spheres of influence between the giants of the East and West, between the superpowers, but one thing is clear: When the sun shines, a shadow is nevertheless cast somewhere on the earth. This refers with specific logic to certain regions.

The signing of the large package of treaties on friendship and cooperation between Russia and Georgia during Batoni [Georgian polite form of address] Yeltsin's visit to Georgia was a great event.

I believe these are viable treaties as they contain the rational balance of interests of two independent sovereign countries.

We should improve our democracy and multiparty system and firmly establish the achievements of modern world party and political science in our party and political life.

Many political parties are playing a positive and constructive role in parliament, the parliamentary majority, the press, and radio and television while, on the other hand, there are many that are forming a destructive opposition and negative public opinion....

New political parties and political movements have appeared on the scene and it is significant that one of these is the Union of Georgia's Citizens that is trying, through specific actions, to bring economic, social, and political stability to society, implement an anti-crisis program, correctly forecast the parameters of economic and social development, and actively participate in carrying out cardinal economic and social reforms.

The Union of [Georgia's] Citizens is a party that advocates reforms and this is stated in its policy document "Market Economy, Rule-of-Law State, Civic Society."

I agreed to become the chairman of this political movement precisely because it aims to implement radical reforms and the implementation of cardinal democratic reforms represents my political credo.

I also want to say here that I initiated [the ruling] that the chairman of parliament should not participate in parliamentary elections on behalf of any party. This was already correspondingly reflected in the rules of parliament. However, many things subsequently changed. Parliament adopted a law on state power that is already in force, the institute of the chairman of parliament-head of state was established, and the necessity arose of creating such a party that would form one of the supports of the government's state policy so that the head of state, when requiring full agreement and support, from the point of view of the consolidation of society, the country's salvation, and determining new domestic and foreign policy, would not find himself hanging in mid air, as they say.

At the same time, the Union of [Georgia's] Citizens favors close cooperation with all progressive political forces.

Today, 26 May, I want us to extend the hand of accord to one another. Our united efforts will bring greater benefit to Georgia than our separation from one another.

Let us be together; let us love our nation, language, motherland, and faith; let us love our fellow man and render the greatest service to mother Georgia.

This is a reliable criterium today for [gauging] service to one's country and patriotism.

The national state idea should unite and bond a society that has been dismembered into parties according to political ideas.

Today, as never before, we need the unity of people and power, mutual understanding between parties, parliament, the Cabinet of Ministers, and local authorities and administrative bodies and their support and the unification of a fractured national consciousness.

Democratic Georgia is the motherland not only of Georgians but also of people of all nationalities and faiths and all the republic's citizens.

The Republic of Georgia is concerned with protecting the language and cultural development of all peoples living on its territory and their political rights.

The motto of the sovereign Georgian state is: People should save culture and culture should save people.

We often say: Georgian culture is a unique phenomenon. Unfortunately, in conditions of a market economy, particularly in the transitional period, when there is hyperinflation and a growing budget deficit that is not being covered by reviving production but by loans taken by the government from the National Bank, the state does not have the means to grant big sums and subsidies to science, education, the arts, the press, radio, television, and culture in general. However, there is no other way; certain sums should nevertheless be found so that Georgian literature and arts, music, cinema, theater, painting, architecture, and all branches of material and spiritual culture can again blossom.

This is the immediate concern not only of the authorities but also of patrons, sponsors, large, medium, and small business, free entrepreneurs, farmers, traders, well-to-do compatriots, and representatives of national business; it is a subject of concern for the private and state sectors of the economy.

It is interesting that the Committee for the Salvation of Georgian Culture is doing effective work; international contacts in the scientific, cultural, and educational sphere should be extended.

We should utilize in every way the experience of countries that have an advanced market economy in the sphere of creating cultural funds.

We should save Georgian culture and science and education. The epoch of the spiritual revival of the Georgian nation—a new renaissance—should be established once more.

The state policy of reforms cannot be changed. This is the road to our salvation. Parliament, the Cabinet of Ministers, all ministries and departments, local bodies of power and administration, all city halls, sakrebulos [administrative boards], and all rayon and village gamgebeli [administrative board chiefs] should be reformist in their form, essence, and activities.

There is no alternative to the policy of reforms.

It is necessary that all regions and centers unite and form a cohesive whole on the basis of a single strategy and tactics and that there be a consolidation of people and power at all levels around the policy of reforms.

This year, on 26 May, the sovereign Republic of Georgia will hold a military parade and the newly-born national Army will be on view. This is the Army that has to protect Georgia's sovereignty, its borders, its freedom, and all its historical achievements.

The 26 May parade and celebration will be a state demonstration of the new Georgian forces that are undergoing organizational development.

Dear fellow countrymen!

I congratulate you on the great national holiday of 26 May and wish you health, happiness, and success. God give us hope! Tomorrow will be better than today.

God bless mother Georgia now and forever!

Omanidze Returns From Exile, Politics on Agenda

LD1206151894 Moscow ITAR-TASS in English 1449 GMT 12 Jun 94

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi June 12—Murman Omanidze, who was the foreign minister in the Zviad Gamsakhurdia government, has returned home after a two-year exile and is now taking part in the elections of a deputy to the parliament from the Rustavi constituency. The new deputy will replace Zhiuli Shartava, chairman of the council of ministers of the autonomous republic, who died a tragic death in Abkhazia.

At first nine candidates were vying for the seat in parliament. Later three candidates withdrew from the electoral campaign, and two of them urged the electors to vote for Murman Omanidze.

Omanidze, 56, is in perfect health. In younger years he actively practiced sports and got the title of master of sports for unarmed self-defence. Aside from it, he showed a special gift for business, when he was still a student of the law department of Tbilisi university. Now he is vice president and executive director of the joint Austrian-Finnish firm Stellar with the turnover of hundreds of millions of U.S. dollars and tens of billions of roubles.

Once speaking at a press conference, Omanidze said that if he came to power, he would make Georgia into a flourishing country in two to three years. He, a wealthy man with numerous connections in the business circles of Russia and other countries and without nationalistic prejudices, is giving priority to economic interests.

According to reliable sources close to the Georgian leadership, if Murman Omanidze is elected deputy to the Georgian parliament, he may soon become prime minister of the republic.

Three Parties Form 'United Republican Party of Georgia'

LD1306192594 Tbilisi First Program Television Network in Georgian 1600 GMT 13 Jun 94

[Excerpts] The leaders of the People's Front, Charter-91, and the Republican Party signed an agreement today uniting the three parties into a single political organization. The new organization will be called the United Republican Party of Georgia. [passage omitted]

The text of the agreement was presented to journalists and participants at the ceremony by chairman of the People's Front, Nodar Natadze.

The United Republican Party's manifesto was presented by the leader of Charter-91, Tedo Paatashvili.

The leader of the Republican Party, Vakhtang Gabiradze, read out the list of members of the new party's provisional ruling body, the Political Council. [passage omitted]

The United Republican Party will work as a single faction in the Georgian Parliament. [passage omitted]

Estonia

Report on President Meri's Visit, Talks in PRC

WS1406095394 Tallinn ETA in English 1812 GMT 13 Jun 94

["News Release"]

[Text] Estonian President Lennart Meri, currently on a visit to China, and President of China Jiang Zemin signed a joint declaration on Monday and made a statement saying that there were no obstacles in the way of cooperation of the two countries, Estonian President's press service told ETA.

The parties confirmed their wish to develop relations on the basis of reciprocal sovereignty and territorial integrity, bilateral non-aggression, non-interference into each other's interior affairs, equality and reciprocal benefits and peaceful co-existence.

The Presidents discussed exchange of information and experience on economy, science, technical sphere, culture and legal science through consultations.

During the meeting, the Presidents dwelled upon political and trade relations of China and Estonia, Russian troop withdrawal from Estonia and problems related to Paldiski nuclear reactor, in the issues of which China supported the Estonian view. Also situation in Russia and Chinese interior and foreign policy was touched upon.

The meeting of the Presidents was attended by Foreign Ministers Qian Qichen and Juri Luik and members of official delegations.

President and Mrs. Meri proceeded from a state visit to Kazakhstan to a state visit to China on Sunday and will return to Estonia by the end of the week.

Laar, Coalition Members on Chairmanship Victory

WS1306140394 Tallinn BNS in English 1004 GMT 13 Jun 94

[Excerpts] Tallinn, June 11, BNS—Prime Minister Mart Laar took a landslide victory Saturday in a vote for the chairmanship of Pro Patria, the senior party in Estonia's ruling coalition. Whether this also means that Laar will continue as prime minister and that the Pro Patria-led rightist coalition will remain in power becomes clear after the four other coalition parties have announced their position on the issue. [passage omitted]

Laar in remarks after his victory said that allegations about Pro Patria's dissolution or abandoning of the political scene didn't hold true and that "there is much more that unites us than what separates us."

Laar in an interview with BNS said the decision made by the party general meeting had been a clearer one than anybody could have expected. "How strong will Pro Patria come out of the crisis now depends on what we do next and whether or not the diversities within Pro Patria can be healed," he said.

It now hangs on the decision of Pro Patria's coalition partners whether or not Laar can also continue as prime minister.

The parliament's deputy chairman, National Independence Party's Tunne Kelam told BNS Pro Patria's coalition partners had never unconditionally demanded that Laar should leave, but added that Laar's remaining in office had to be agreed upon with his and the other three parties in the coalition.

The so-called "small coalition", or the ruling parties beside Pro Patria, earlier have said they would announce their prime minister candidate Monday. Laar's rival candidate in Saturday's vote, parliament Chairman Ulo Nugis has predicted that the legislative body will fail Laar in a confidence vote.

Also one of Laar's fiercest rivals, his Cabinet's recently resigned Defense Minister Indrek Kannik, told BNS Saturday that the future of the current government depended on what the small coalition was going to decide. But Kannik declined to predict the outcome of a possible parliamentary confidence vote.

Parliament Chairman Ulo Nugis, showing regret over entering the conflict, said the election outcome for him had been an unexpected one. "If it wasn't for the coalition partners' proposal, I maybe shouldn't have become active in the election of the party chairman," he said.

The parliament leader said he had his own way in politics that didn't include becoming a prime minister. He added that what he did had been aimed at resolving the government crisis and helping the party on its way toward the next elections.

Kaido Kama in comments on the election outcome said he considered a split in Pro Patria unlikely. "There are no major program-related diversities between different wings in Pro Patria," Kama said. But he added that Laar's re-election was no solution for problems inside the party.

Finance Minister Heiki Kranich said he will hold his promise and step down. Kranich already last month said he will resign if the party congress re-elects Laar as chairman.

Kama after the vote said that his anti-Laar party suffered a defeat because having been unable to bring enough members of the anti-Laar opposition to the congress.

Kama said it would have been possible to bring some hundred more anti-Laar Pro Patria members to the congress.

All rival candidates in their remarks to the meeting before the vote criticized Mart Laar for failures in his performance as prime minister.

Kama warned the Pro Patria members that the party can retain good relations with its partners in the ruling coalition only if a new prime minister from Pro Patria is appointed to office. Kama promised before the vote that he as party chairman would "correct Laar's biggest mistake and restore a united team," and act according to guidelines by the party general meeting.

Ulo Nugis in his remarks said Pro Patria's coalition partners wanted to have a new prime minister.

"I have more power at the moment than the ruling party, because I have the support of a great deal of the parliament and of the Estonian people. Therefore, I was out for nothing when running for chairmanship—I just wanted to extend my helping hand (to Pro Patria)," Nugis said. [passage omitted]

Draft 10-Year Supply Pact Concluded With Russian Gas Firm

WS1306140094 Tallinn BNS in English 1307 GMT 13 Jun 94

[Text] Tallinn, June 13, BNS—Eesti Gaas, the company running the natural gas distribution networks in Estonia, and Russia's Gazprom concern have finished drafting a supply agreement for the next 10 years, Eesti Gaas Director General Aarne Saar said.

The two companies by now have agreed on the amount of supply and conditions of delivery, while talks are going on to find a formula for price calculation, Saar said.

Price calculation formulas based on heavy oil and heating oil prices at the Rotterdam stock exchange, as generally used in the West, are not suitable with respect to Russia because of a higher percentage of sulphur in gas from Russia, Saar explained.

Eesti Gaas and Gazprom expect to sign the agreement already in August or in September.

The Russian concern owns a 30-percent stake in Eesti Gaas. The Estonian Government holds 39 percent of the company's shares. Fifteen percent of the shares are to be sold in Estonia, and another 15 percent, to some western company. Negotiations with potential investors are under way, Saar added.

Eesti Gaas turned over 0.5 billion kroons last year. The company's share capital is 38.8 million kroons.

Lithuania

President Sees 'No Major Problems' in Russian Relations

WS1406104294 Tallinn BNS in English 1804 GMT 13 Jun 94

[Text] Vilnius, Jun 13, BNS—Lithuanian President Algirdas Brazauskas, in his traditional Monday interview to Lithuanian Radio, said that no major problems exist in Lithuanian-Russian relations.

Commenting on last week's two-day round of talks between the Lithuanian and Russian interstate teams in Vilnius, Brazauskas described as "too long" the break before the latest meeting.

The Lithuanian president expressed satisfaction over the results of the latest round of negotiations. The delegations have started taking concrete steps to solve the issue of compensation by Russia for the damage caused to Lithuania by the Soviet Union since 1940, according to Brazauskas. The Lithuanian Ministry of Economics has been obligated to form a working group to figure out the damage and to foresee a legal basis for claiming a compensation.

Progress in talks on the debt of the former Russian Vnesheconom Bank to Lithuania "also gives grounds for renewed hope," Brazauskas said. A few years ago the Vnesheconom Bank expropriated Lithuanian people's savings worth over 7 million dollars and almost 150 million dollars belonging to Lithuanian companies.

Speaking about unsettled problems, the Lithuanian president mentioned the issue of Russian transit over Lithuanian territory. Talks on the regulations for the transit of Russian passengers and cargo, expected to be finalized by Lithuanian negotiators soon, as well as on a visa regime for Russian citizens are to resume in the near future, according to Brazauskas.

"Of course, a lot of problems remain in the fields of energy, fishing and environment. So in the future both our negotiators and the Foreign Ministry will have enough work," said the Lithuanian president.

Brazauskas reiterated Lithuania's position that the military potential in the Kalinigrad enclave of Russia should be decreased and the region should be demilitarized eventually. "It is an ideal area for the development of economic relations," said the Lithuanian president.

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